

Biodiesel producer plans to make alternative fuel more available

By Adam Gorlick, Associated Press Writer | September 28, 2005

GREENFIELD, Mass. --A Massachusetts-based biodiesel company announced plans Wednesday that could make the alternative fuel more available and cost-efficient across the Northeast.

Northeast Biodiesel president Lawrence Union said 75 percent of the biodiesel his company plans to start making will be sold to Biofuel Brokers, a Michigan company that will distribute the fuel to nearby refineries and wholesale suppliers.

"The mission here is to have biodiesel available on every street corner," Union said.

But that goal isn't about to happen overnight.

Northeast Biodiesel still needs to build its production facility, which is scheduled to open in a Greenfield industrial park next spring. And by the end of 2006, Union said the company will be ready to make about 5 million gallons of biodiesel a year from the recycled vegetable oil it's been buying from a New York-based business.

Biodiesel, which can be used on its own or blended with petroleum-based diesel fuel, can be used as home heating oil and can power cars, trucks and farm equipment with diesel engines. It can be made from recycled vegetable oils or soybeans.

Its popularity has been growing since 1992 when Congress passed the Energy Policy Act to reduce the nation's dependency on foreign oil. It has since been approved by the federal Environmental Protection Agency as an alternative fuel.

Since 1999, biodiesel use nationwide has grown from 500,000 gallons to 25 million gallons in 2004, according to Jenna Higgins, a spokeswoman for the National Biodiesel Board. There are 45 biodiesel production plants operating across the country, and 54 -- including Northeast Biodiesel -- that are planning to go online.

Currently, only one company -- Bean Commercial Grease, in Belgrade, Maine -- is making biodiesel in New England.

That means most of the biodiesel used in the Northeast is being imported from other states where the fuel is produced, a fact that drives up costs and reduces regional supplies.

By distributing a locally produced product within the Northeast, the fuel's cost

and availability should be more accessible, said Michael Cooper, president of Biofuel Brokers.

"This region is getting most of its biodiesel from the Midwest," Cooper said. "Regional production and distribution is what's going to make this work." He said some biodiesel prices are now close to \$3 a gallon in New England.

The national average price of B-20 -- a diesel blend that contains 20 percent biodiesel -- is \$2.38, about 17 cents higher than a gallon of petroleum-based diesel, Higgins said.

But those in the biodiesel business don't see the higher cost as a stumbling block to the fuel's success. Reducing reliance on foreign oil and using a cleaner burning fuel are biodiesel's big selling points, they said.

"Biodiesel demand is growing very rapidly in the Northeast and across the country," Higgins said. "One of its strongest promises for use is in home heating oil. People see the prices of conventional oil going up, and they're willing to look at alternative fuels."

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