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## **Whole Energy sets goal of up to 10 million gallons a year**

A local biodiesel startup could be ready for the big leagues thanks to a 40-year-old internet entrepreneur from Seattle.

Whole Energy, which has been distributing biodiesel from a retrofitted manufacturing facility near highway 20 and Farm to Market Road since early 2006, has formed a joint venture with Seattle-based General Biodiesel to produce up to 10 million gallons of the fuel starting in September.

General Biodiesel is owned by Yale Wong, who in 1994 co-founded Compass Communications, which was one of the state's first Internet providers.

Wong sold the company in 2004 and later formed General Biodiesel with his wife, Laura, in hopes of entering the emerging biodiesel market.

"We were looking for an investment, and I've always been enamored with fuel and transportation," Wong said. "My wife sent me to a biodiesel class, and it hit home with me." Wong's company hasn't produced a drop of fuel yet, but that's about to change.

Under the joint venture, General Biodiesel will finance the construction of a production plant at Whole Energy's Burlington distribution site.

Meanwhile, Whole Energy will help produce and sell the fuel under the Whole Energy name.

Whole Energy announced last summer that it was seeking financing for a production facility and later found a willing partner in Wong, who wanted to acquire assets for his newly-formed company.

"We needed financing, and that's what we secured in this deal," said Whole Energy President Atul Deshmane.

Deshmane said the two companies have discussed a potential merger or acquisition, but so far Wong hasn't purchased ownership in Whole Energy, in which Deshmane holds a majority stake.

In 2006, Whole Energy distributed 500,000 gallons of fuel, an amount Deshmane hopes becomes a monthly target once production begins in the fall.

The new plant will require up to a dozen new employees on top of the six full-time workers Whole Energy now employs.

The production plant will produce biodiesel using canola and soy imported from the Midwest and Canada, along with vegetable oil from restaurants.

In 2006, Americans consumed about 200 million gallons of biodiesel, according to the National Biodiesel Board, up from 75 million gallons in 2005.

Though consumption remains limited, the industry has been gaining momentum as refineries are popping up across North America, including Imperium Renewables in Seattle, which is building what will be the nation's largest biodiesel refinery at the Port of Grays Harbor.

In Washington, producers are being lured by legislative measures aimed at fostering a state biodiesel industry.

Those measures include a law requiring that by 2008, at least 2 percent of the diesel sold in the state be a biodiesel blend, and by June 2009, at least 20 percent of the diesel used in state vehicles be biodiesel.

The stat has set up tax incentives aimed at encouraging distribution and consumption of biodiesel.

For Wong, the unproven, but increasingly buzz-worthy biodiesel market is reminiscent of the Internet in the early 1990s, and he's not intimidated by larger producers such as Imperium.

"This is like the Internet in the 1990s. There's room for everybody right now," he said.