

A new player in the biodiesel fuel game

By Josh Lintereur, Skagit Valley Herald
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Burlington—outside of the Whole Energy biodiesel distribution plant, echoes reverberate off the inside of an empty storage tank as a worker cleans the interior.

The tank is so big that when the worker later exits through a small manhole-sized hatch near the structure's base, he resembles a bird emerging from a hollow tree trunk.

At the moment, the oversized tank and three others standing next to it may seem gratuitous for the company's modest biodiesel distribution business.

But Whole Energy is going forward with plans to begin producing the renewable fuel. If all goes well, the four tanks will be brimming with 500,000 gallons of biodiesel by next spring, and the company will need every last drop.

"We're entering a world of big boys," said Atul Deshmane, the company's president. "You can't do this in your garage."

By expanding their operations, Whole Energy will be just the third commercial biodiesel production company in the Northwest, joining Imperium Renewables in

Seattle and SeQuential-Pacific Biodiesel in Salem, Ore., according to the National Biodiesel Board.

Biodiesel, which can be produced with vegetable oils and animal fats, has lower emissions than pure diesel fuel and has been touted as a means to reduce the nation's dependence on foreign oil.

In 2005, biodiesel production in the United States reached 75 million gallons, up from 25 million gallons in 2004.

Though biodiesel production is rapidly increasing, its share of the total diesel market remains small. Approximately 80 billion gallons of diesel fuel are consumed annually, Deshmane pointed out, leaving current biofuel production at about 0.1 percent of the market.

"The industry is a bit immature," he said, adding that producers are still perfecting the quality of biodiesel being made while trying to develop a more consistent supply. "We hope to be on the leading edge of that."

Whole Energy already has been distributing 100,000 gallons of biodiesel a month since the beginning of the year out of a retrofitted manufacturing facility near the intersection of Highway 20 and Farm to Market Road.

Biodiesel arrives at the facility by rail. Workers test the fuel for quality and then blend it with petroleum-based diesel.

Every diesel vehicle can accept blends with at least 20 percent biodiesel. Depending on the year, make and model, other vehicles can use higher percentage blends, including 100 percent biodiesel mixes.

After the fuel is blended, the company redistributes the fuel to wholesalers and directly to retailers.

Over the past 12 months, the company has been operating a pilot biodiesel production program, which has paved the way for plans to begin producing the fuel commercially.

Ultimately, the company would like to add enough capacity to produce a minimum of 10 million gallons per year.

The project's cost is estimate at \$9.5 million, and it would add a dozen employees to the six to eight employed during the past year.

Deshmane said the company has already secured financing to add small-to mid-sized production capabilities to the site.

"A couple million gallons per year next year is very much within our reach," he said.

Deshmane hopes to see canola and soybean producers appear in Eastern Washington in the future, but right now, the locally produced supply for oils used in biodiesel production is limited.

The company's focus during its pilot production program has been on producing biodiesel from a diverse range of feedstock that can be obtained locally, mainly recycled vegetable oil that originates in restaurants, as well as animal fat and fish oil. It also has contracted to buy soybean oil from a supplier in the Midwest.

Heavy-equipment users are the biggest consumers of biodiesel, Deshmane said, which makes Skagit County an ideal location to begin producing the fuel.

"There's a whole lot of diesel users in this county," he said.

The way he sees it, there are plenty of reasons for consumers to make the switch.

"It burns cleaner, it's healthier for the person using the equipment, and right now it's cheaper," he said.