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Stockton Biodiesel Plant Counts On Stimulus To Expand

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By Heidi Pickman

Apollo News Service



President Barack Obama said in his inaugural address, “We will harness the sun and the winds and the soil to fuel our cars and run our factories.” Lisa Mortenson and her company, Community Fuels, does just that by harnessing the power of biofuels.

Community Fuels operates a processing facility in Stockton, California with a capacity of 10 million gallons.

Mortenson wants to double the plant’s capacity, but she needs access to capital to invest in expansion. The American Economic Recovery and Reinvestment Act, which was signed by President Obama on February 17, includes \$6 billion to support loan guarantees for renewable energy and electric transmission technologies. The funds are expected to guarantee more than \$60 billion in loans, according to the Energy Department. The new law also requires the DOE Loan Guarantee Program to only make loan guarantees to projects that will start construction by September 30, 2011, and that involve renewable energy, electric transmission, or leading-edge biofuel technologies.

“If we received the \$3.5 million requested, I can put it to work immediately,” says Mortenson. “I have contractors, engineers and equipment manufacturers lined up. If we received the funding in March, construction work would start work either in March or April. This is truly a ‘ready to go’ project.”

The 2009 energy bill presents another opportunity to support the expansion of biofuel producers like Community Fuels through grant and loan programs. Additionally, the Apollo Alliance Green Manufacturing Action Plan (GreenMAP) project has developed a legislative proposal that includes a loan guarantee program to assist manufacturing facilities in retooling or expanding to make renewable energy or energy efficiency products. Community Fuels represents exactly the type of firm that would benefit from this program.

The capacity to produce fuel from sources other than petroleum and natural gas is enormous. According to The New Apollo Program, “cellulosic ethanol, a biofuel derived from non-food perennial crops like switchgrass, and advanced biodiesel, a renewable fuel for diesel engines produced from sustainable sources of fats and oils such as algae and waste materials, have the potential to replace 9 billion gallons of transportation fuels by

2025 and upwards of 100 billion gallons - nearly one-third the total projected U.S. gasoline demand - by 2050.”

According to Mortenson, the Stockton plant can process a variety of vegetable oils and animal fats. “We also have multiple research projects that are pursuing the use of waste streams and algae as the inputs to biodiesel production,” she said.



And if Community Fuels is any example, the industry will create jobs and stimulate the local economy. The company’s Stockton plant employs 15 workers that earn an average of more than twice the local average manufacturing wage. The plant’s skilled staff includes a plant manager, assistant plant manager, environmental health and safety manager, process engineer, laboratory manager, laboratory technicians, plant operators, plant maintenance, and plant administrator.

If the proposed expansion occurs, Community Fuels anticipates that it will hire up to 20 more full-time, permanent employees. Additional jobs would be created for permitting, construction, and commissioning.

During the construction of the existing plant, Mortenson says that the company had up to 50 construction workers on site per day, not counting off-site fabrication work. Stockton could use more jobs. In December 2008, the unemployment rate for the Stockton Metropolitan Area was 13 percent, while the statewide average unemployment rate in California was 9.1%.

Community Fuels doesn’t only create jobs, it creates good jobs. The company pays good wages and offers health care benefits to all employees that work at least 30 hours per week. Additionally, all plant construction to date has been completed with prevailing wage contracts.

The company provides comprehensive in-house training to all plant personnel. In 2007, the California Labor and Workforce Development Agency Employment Training Panel awarded over \$7 million in job training contracts to various eco-friendly businesses. Community Fuels was one of the recipients and received almost \$100,000 from ETP to train its workers.

The company hires locally. Community Fuels participates in the WorkNet program for San Joaquin County, which is run by a division of the Employment and Economic Development Department and helps match business and workers.

According to E.P.A. sources, an additional capacity of 10 million gallons per year of biodiesel will reduce emissions of pollutants by 47 percent (particulate matter) to 78 percent (carbon dioxide) relative to petroleum diesel. One important reason is that

biodiesel provides a life cycle emissions reduction of 78 percent compared to diesel fuel made from oil is that the plants that produce the oils used in biodiesel take up CO2 while they are growing.

Mortenson may be good-hearted, but she is running a business that needs to make a profit. She predicts that the \$3.5 million expansion will add \$30 million to \$45 million in additional revenue per year, depending on energy prices. "I believe this would represent a true stimulus to the economy," she said.

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National Renewable Energy Laboratory (NREL)
<http://www.nrel.gov/>

Alternative Fuels Data Center
<http://www.afdc.energy.gov/afdc/fuels/biodiesel.html>

BioEnergy Information Network
<http://bioenergy.ornl.gov/>

National Biodiesel Board
<http://www.biodiesel.org/>

Natural Resources Defense Council
<http://www.nrdc.org/greengate/air/dieselv.asp>

University Of Idaho
<http://www.uidaho.edu/bae/biodiesel/>

The National Sustainable Agriculture Information Service

<http://attra.ncat.org/attra-pub/biodiesel.html>

“BioTruckers” share their biodiesel experience with other drivers

<http://www.biotrucker.com/>

The National Biodiesel Board is a great source for ASTM qualified biodiesel producers, distributors and retailers:

<http://biodiesel.org/buyingbiodiesel/guide/>

The Department of Energy offers the Alternative Fuel Station Locator that contains a database of refueling stations for the entire country to find stations offering alternative fuels.

<http://afdcmap2.nrel.gov/locator/>

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The Apollo Alliance, a national coalition of business, labor, environmental and community organizations has been fighting for years to put the clean energy and good jobs agenda at the forefront of the nation’s energy and economic policy.

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