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B2B News

Byproducts to Biodiesel. .

April 2009

Volume 1, Issue 5

Biodiesel Benefits to the Community

The role of the biodiesel industry is not to replace petroleum diesel, but to help create a balanced energy policy with the most benefit to the United States. Biodiesel production and use can provide economic benefits for local communities because it can be created from locally available resources. Brand new jobs and revenue streams can help revitalize local economies across the U.S.

Energy Dollars and Jobs Stay Local

Locally available feedstocks are collected, converted to biodiesel, then distributed and used within the community. This model keeps energy dollars in the community instead of sending them to foreign oil producers and refineries outside the local area. The peripheral benefits of this type of model are different for each case, but can include:

- Increased tax base from biodiesel production operations.
- Jobs created for feedstock farming and/or collection.
- Skilled jobs created for biodiesel production and distribution.
- Income for local feedstock producers and refiners.

Local Fuel

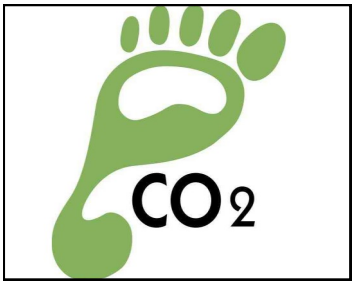
The nearer the markets, the lower the cost to transport fuel, meal and other co-products. This could provide the margin needed for a positive balance sheet, keeping the benefits local as cost savings can be passed on to consumers.

Easy To Use

Biodiesel can be used in existing engines, vehicles and infrastructure with practically no changes. It can be pumped, stored and burned just like petroleum diesel, and can be used pure, or in blends with petroleum diesel in any proportion. The power and fuel economy attained through biodiesel is practically identical to petroleum diesel, and year round operation can be achieved by blending with diesel fuel.

Animal Fat Biodiesel : Lowest Carbon Footprint Transportation Fuel

Chairman Henry Waxman of the House Energy and Commerce Committee released a draft of sweeping energy and climate legislation on March 31st. If passed, the bill will require high footprint producers to purchase carbon offset credits to reduce the impact of their fuels. One of the most well-known methodologies for calculating the carbon footprint of motor fuels comes from the California EPA-ARB. Following this methodology, biodiesel from animal fats has the potential to be recognized as having the lowest carbon footprint of all the transportation fuels being used in America today. This could create a significant revenue-generating opportunity if Waxman's American Clean Energy and Security Act of 2009 passes the U.S. Congress.



Cleaner Air

Biodiesel is the only alternative fuel to successfully complete the EPA's rigorous emissions and health effects study under the Clean Air Act. It provides significantly reduced emissions of carbon monoxide, particulate matter, unburned hydrocarbons, and sulfates compared to petroleum diesel. Additionally, biodiesel reduces emissions of carcinogenic compounds by as much as 85% compared with petro diesel. When blended with petroleum diesel, these emissions reductions are generally directly proportional to the amount of biodiesel in the blend.

More and more communities are using a biodiesel blend to fuel their public transportation fleets. In the Orlando area, for example, the LYNX Central Florida Regional Transportation Authority will become the first transit district in the U.S. to build its own biodiesel blending facility. All of the LYNX's 290 busses, serving Orange, Osceola and Seminole counties, will be converted to run on B-20 fuel (20% biodiesel, 80% petro diesel).

LYNX says that the project will save the transit district 1.2 million gallons of fuel annually, as well as lowering its carbon emissions by 26 million pounds per year.
(Source: "Homegrown Prosperity From the Bottom Up" by Western Organization of Resource Councils, www.worc.org)

Biodiesel Moving Mainstream

Kinder Morgan just moved one step closer to its rollout of a blended 5% concentration ultra-low-sulfur biodiesel fuel (B5) on the Plantation Pipeline in the Southeast. Operators say that shipments will begin as early as this month and the product code for the new fuel will be "68 Grade". The shipments of B5 should begin arriving at the following terminals during May 2009: Athens, GA; Charlotte, NC; Greensboro, NC; and Roanoke, VA. Kinder Morgan says that the B5 grades delivered by Plantation will meet the same ASTM performance characteristics and will be fully compatible with the traditional 61 grade ULSD specifications. In fact, when B5 begins arriving at Kinder Morgan terminals, it will be commingled with ULSD in the tankage.

Kinder Morgan is one of the largest pipeline transporters and terminal operators in North America. The Kinder Morgan companies own an interest in or operate more than 37,000 miles of pipelines that transport primarily natural gas, crude oil, petroleum products and CO2, and approximately 165 terminals that store, transfer and handle products like gasoline and coal.
(source: OPIS (Oil Price Information Service))

This newsletter is courtesy of R3 Biofuels

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