

# Biodiesel Webinar



“.com A Producer’s Perspective”

Carlo Luri, General Manager  
Bently Biofuels Company  
[carlo.luri@bentlybiofuels.com](mailto:carlo.luri@bentlybiofuels.com)  
Tel. 775-783-0123

# The .com perspective

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- ❑ Our organization
- ❑ Starting a biodiesel business
- ❑ Our choices
- ❑ Factors for success
- ❑ Fleet and retail market
- ❑ Bently Biofuels Outpost retail site



# Our Organization



- Bently Biofuels Company
  - Feedstock Collection
  - Biodiesel Production
  - Bulk Sales, Marketing, and Distribution
  - Bently Biofuels Outpost Retail Site
- BTS "biodieseltesting.com"
  - ASTM Fuel testing services
- Bently Agrowdynamics
  - Biodiesel user
  - Potential feedstock supplier
  - Recycling of water and glycerin into compost



# Our History

## Milestones

- 2002 ... Begin search for fuel to replace diesel in ag operations – Biodiesel!
- 2003 ... Local used cooking oil collection program starts-up.
- 2004 ... Pacific Biodiesel chosen as technology provider.
- 2005 ... Construction / start up of biodiesel plant. First crop of canola planted.
- 2006 ... Start of B99 retail sales to public.
- 2007 ... We add B20 blends and wholesale distribution.
- 2008 ... Oil hits \$100+. Bently opens 24/7 biofuel station and green c-store.
- 2009-10 Oil prices drop, economy slows, tax credit goes away – Survival mode!



# Business Considerations

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So you want to start a biodiesel company ...

- ❑ What is your motivation?
- ❑ How will the company be financed?
- ❑ Local regulatory considerations?
- ❑ What are available feedstocks?
- ❑ Logistics of supply chain?
- ❑ Realities of market demand?
- ❑ Does business model depend on subsidies or mandates?
- ❑ Local, regional, or beyond ???



# Our Choices



Feedstock >



Production >



Distribution

- ❑ Local bias
- ❑ Long term focus
- ❑ Sustainable feedstocks
- ❑ Vertical integration (feedstock to user)
- ❑ Highest possible quality



# Why local?

## Positives

- ❑ Smaller carbon footprint
- ❑ Lower transportation costs
- ❑ Business based on relationships and trust
- ❑ Better communication and transfer of knowledge
- ❑ More efficient transactions

## Negatives

- ❑ Smaller plant means worse economies of scale
- ❑ Difficult to make up for slack in supply or demand
- ❑ Business subject to seasonality and local market variations



# Factors Critical to Success

- Right motivation
  - Long term focus
  - Well capitalized – and patient investors!
  - Triple Bottom Line (people, planet, profit)
- Local feedstock
  - Cost, availability, and quality
  - Control of source is critical
- Strong technical focus
  - Starts with plant & equipment engineering
  - People: training & knowledge
  - Quality & Safety must be priorities





# Most Importantly

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- Know your market
  - Benefits of captive biodiesel use
  - Local B100 supporters
  - Two way exchange of knowledge
  - To blend ... or not to blend
  - Develop relationships with jobbers
  - Local fleet users
  - Direct to retail
  - BioHeat, Power generation, & other uses



# Fleet users

- ❑ Transit (bus & rail)
- ❑ Federal, state, & local agencies
- ❑ Trucking
- ❑ Farming & Agriculture
- ❑ "Green" construction
- ❑ Eco Tourism / Attractions
- ❑ On-site power generation



Understand motivators  
"carrot" or "stick"

# Retail and Consumer Users

- ❑ Motivated by environment, health, patriotism, and performance
- ❑ Need reliable and convenient supply
- ❑ More likely to consider price / benefit proposition



## Negatives

- ❑ Limited number of diesel passenger vehicles
- ❑ OEM resistance to higher consumer blend use



# Building a Retail Station



- ❑ Biodiesel and Blends available 24/7 at self-serve pumps
- ❑ E10 and E85 for gas vehicles
- ❑ LEED Gold Construction
- ❑ Solar and biomass heat
- ❑ LED Lighting
- ❑ Native Landscaping
- ❑ Recycling Center
- ❑ Fully stocked C-store with lunch service, and WiFi



# What will drive the market?

## Carrot

- ❑ People want to “do the right thing”
- ❑ Price (needs tax subsidy or high oil prices)
- ❑ Perceived value proposition
- ❑ EPA, DOE, USDA grant programs

## Stick

- ❑ EPA Act and other Federal Mandates
- ❑ RFS Mandate (also helps with cost)
- ❑ State biodiesel mandates (typically B2 – B5)



# Quick Quiz

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What would you prefer to pay?

- A. \$4.45 per gallon for B100
- B. \$3.451 per gallon for B99.9



# Answer

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If you chose B. please call your Congressperson and ask for the reinstatement of the biodiesel tax credit.

For more information go to:

<http://www.biodiesel.org/news/taxcredit/default.shtm>

