Biodiesel Webinar

“.com A Producer’s Perspective”

Carlo Luri, General Manager
Bently Biofuels Company
carlo.luri@bentlybiofuels.com
Tel. 775-783-0123
The .com perspective

- 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!
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

- 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**
- EPAct and other Federal Mandates
- RFS Mandate (also helps with cost)
- State biodiesel mandates (typically B2 – B5)
Quick Quiz

What would you prefer to pay?

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