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## Port OKs biofuel plant

### Refinery will convert vegetable oil to burn in diesel engines

**By Jim Downing - Bee Staff Writer**

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The biofuel revolution has reached Sacramento.

The Port of Sacramento's governing board on Wednesday unanimously approved a proposal from Long Beach startup Primafuel Inc. to build a biodiesel plant that would make 60 million gallons a year of the alternative fuel.

Planned for 14 acres of port land along Industrial Boulevard in West Sacramento, the \$60 million to \$90 million facility would have nearly 10 times the production capacity of the largest existing biodiesel plant in California.

The plan must pass through state and local environmental reviews, which have frequently delayed biofuel projects elsewhere in the state. Permitting is expected to take at least six months, followed by up to 18 months for construction. The plant is expected to employ 70 workers.

West Sacramento Mayor Christopher Cabaldon, who also sits on the port's five-member board, called the refinery an ideal green-industry anchor for the port and his city.

"One of our key issues is to use the port to achieve net reductions both in air pollution and greenhouse gases," Cabaldon said in an interview before the meeting.

A biodiesel plant, he said, meets those emissions objectives in two ways: by generating little pollution of its own and by producing a clean-burning fuel.

As designed, the refinery would emit less smog-forming pollution than a typical gas station, said Paul Hensleigh, deputy air pollution control officer at the Yolo-Solano Air Quality Management District. The facility would convert vegetable oil, most of it imported from other states and countries, into an alternative diesel fuel that produces lower net emissions of most air pollutants as well as climate-warming carbon dioxide than does conventional diesel.

"Its own direct (pollution) output is extremely low. And its net impact is extremely high," Hensleigh said.

Cabaldon said he does not anticipate significant local opposition.

"This is the kind of project that folks from the community and around the port have been suggesting that we move to," he said.

The Primafuel project represents the first new industrial client at the small port since it completed a major restructuring late last year, which included an alliance with the Port of Oakland.

Port Manager Mike Luken said his office received unsolicited proposals from six different biodiesel startup companies beginning last fall. After a formal review, port staff selected Primafuel Inc., which was founded in 2005 by a small group of renewable-energy veterans.

Primafuel Executive Vice President Rahul Iyer said financing for the Port of Sacramento project is in place.

Iyer said the West Sacramento site was attractive because of the port's access to rail, truck and sea transport, as well as its proximity to agricultural land, a large potential customer base in Sacramento and Northern California's booming green technology sector.

Nationwide biodiesel production in 2006 was 250 million gallons. By contrast, Americans burn about 60 billion gallons of petroleum diesel and 140 billion gallons of gasoline each year.

Biodiesel production capacity is growing rapidly in the United States and abroad. But there is substantial uncertainty about the future global availability of plant oils to feed the new refineries.

Iyer said Primafuel plans to work with Sacramento-area farmers to integrate oilseed crop production into their operations. The company hopes to initially draw about 5 percent of the refinery's feedstock from local farmers. Because California's soil and climate support many high-value crops, the state's farmers raise little of the relatively low-value crops used to produce vegetable oils.

While biodiesel will burn in any diesel engine, it's not available for retail sale -- unless diluted with four parts petroleum diesel -- because the federal government has yet to approve standards for it.

In the Sacramento region, a network of co-ops distributes biodiesel to consumers. Some fuel wholesalers also supply biodiesel blends to bus, truck and heavy equipment fleets.

Diesel cars have long been banned from California showrooms for their polluting emissions, but they are set to make a comeback. At least six automakers plan to release California-ready diesel models, some as soon as the 2008 model year.

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