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BIODIESEL FIRMS FORM NEW STATEWIDE PARTNERSHIP

Pennsylvania Biodiesel Producers Group Seeks to Establish Quality Standards and Secure State Support

Harrisburg, Pa. - Biodiesel producers from across Pennsylvania have formed a new organization intended to raise their visibility and strengthen their industry. The Pennsylvania Biodiesel Producers Group (PABPG) is a trade organization formed by companies who are currently developing and producing biodiesel fuel in the state, including firms from Philadelphia, New Oxford, Harrisburg, and York.

"There is a lot of policy discussion right now about alternative energy – from windmills to ethanol, and from fuel cells to solar," says Ben Wootton, president of Keystone BioFuels of Shiremanstown near Harrisburg, and one of the founding members of the Producers Group. "Biodiesel is unique because it is proven, practical, and widely used today. It was time for us to form an organization focused on addressing biodiesel's role in the future of Pennsylvania energy policy."

While ethanol receives a great deal of attention because it can replace gasoline in personal automobiles, biodiesel is the "silent silver bullet" in energy policy. For example, ethanol requires that vehicle engines be modified for its use, whereas biodiesel does not. And biodiesel appears in many important applications all around us. "Biodiesel fuel is used in fire apparatus, public transit buses, hospital emergency generators, construction equipment – pretty much every commercial or industrial engine can use biodiesel," says Charles Cross, president of United BioDiesel in Pittsburgh.

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In many areas of the state, communities have been concerned about particulate pollution generated by the diesel engines on tractor-trailer trucks and the impact of diesel exhaust from school buses on children. Both applications are ideal for biodiesel. "Biodiesel can improve the environment, enhance public health, and help Pennsylvania achieve energy independence," adds Race Miner, Founder & Chairman of Keystone BioFuels.

The Producers Group is sending a letter to members of the General Assembly introducing the organization and presenting their public policy platform, which includes support for a Pennsylvania quality standard for biodiesel fuel, and advocacy for a state-supported incentive to make the cost of biodiesel in Pennsylvania more competitive with that in surrounding states.

"The Governor's proposed \$850 million Energy Independence Strategy is a powerful package, but it doesn't address the present-day needs of the biodiesel industry," adds Wootton. "The administration's focus is on spurring new research and new capital investment in facilities. Our industry is here today, our plants are built, but we're only operating at 10% of our capacity."

The Producers Group says that government incentives offered by surrounding states such as Ohio to their biodiesel producers make it cheaper for distributors to buy fuel from non-Pennsylvania companies and ship it into Pennsylvania to meet demand. "Distributors are being driven by market forces to go beyond our borders to buy and transport non-Pennsylvania biodiesel, because Pennsylvania does not offer a competitive in-state incentive to support our industry," points out Nicholas Kukrika of United Biofuels, York.

As a result, the Producers Group is proposing that the Governor and the General Assembly support creation of an in-state incentive that would match an existing federal incentive program and make biodiesel produced in Pennsylvania more cost-competitive. Wootton explains, "Right now, 80% of biodiesel sold in Pennsylvania is not coming from Pennsylvania producers."

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“This also means that Pennsylvania farms are not reaping the benefits of being able to sell their product to in-state biodiesel producers either. By creating the in-state incentive, the Commonwealth will be supporting Pennsylvania farmers, crushing facilities, biodiesel producers, and consumers alike – all at a fraction of the cost.”

For more information on the Pennsylvania Biodiesel Producers Group, please contact Ben Wootton at (717) 761-3511 or via email to ben.wootton@keystonebiofuels.com.

NOTE: A one-page summary outlining the public policy positions of the newly-formed Pennsylvania Biodiesel Producers Group is available for media upon request.

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About the Pennsylvania Biodiesel Producers Group:

The PABPG was formed in May 2007 to serve as a unified voice of advocacy on behalf of in-state biodiesel producers across the Commonwealth of Pennsylvania. The PABPG serves as a clearinghouse for information regarding the business, environmental, and energy policy benefits of biodiesel and the critical role that biodiesel plays in the future of Pennsylvania’s energy strategy.

The PABPG’s founding members include the following biodiesel companies:

- United Biofuels – York
- Keystone BioFuels – Shiremanstown
- Soy Energy – New Oxford
- United BioDiesel – Pittsburgh

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