

Outlet Full Name: Burlington Free Press

Contact Name: McLean, Dan

News OCR Text: With or without Biocardel Vermont, biodiesel use taking off in Vermont

Biocardel Vermont LLC is slated to be the first large-scale biodiesel producer in the state, but it has missed its own projected launch dates several times during the past year.

With or without the Swanton-based producer, use of biodiesel in Vermont is soaring -- particularly in heating oil blends.

After some retooling, Biocardel Vermont has installed three layers of filters, designed to ensure consistent production of pure biodiesel, or B100. The fuel, created from soybean oil, ultimately will be blended with conventional diesel or heating oil by wholesalers, said Stephen Daigle, Biocardel Vermont's general manager.

Since mid-October, Biocardel Vermont has been producing small batches of the fuel. Now, he said, Biocardel is "fine-tuning the recipe" to determine the most efficient production method.

Pierre Migner, president of the Montreal-based Biocardel Group and Biocardel USA, decided the Swanton plant would be reconfigured to bolster quality. "Basically, I decided, in June, that we would not start production until we were completely satisfied with quality," he said.

Biodiesel -- which can be used in diesel engines and oil furnaces -- has been praised as a viable option to both curtail oil consumption and to reduce carbon emissions.

The one-year delay to start commercial production is primarily a result of working to meet stringent certification standards, Daigle said. "It's been a long year," he said.

"We're just about there. It's just a matter of turning one more wheel," Daigle said, during a site tour Wednesday.

The final wheel is obtaining an international certification, through ASTM International, that ensures 14 criteria are met. Biocardel has not yet received that

approval, but four "recipes" of company's biodiesel have fared well on preliminary tests, Daigle said.

Biocardel Vermont now anticipates commercial production to begin in early January.

But the company has said it is close to commercial production several times before. The company officials announced launch dates for January, March, April, June and August of this year. But the plant has failed to meet them.

"I really want to make sure we don't put out false dates again," Daigle said. "We've never meant to mislead anyone. What we've done is, unfortunately, stumble on our own dates."

Biocardel Vermont -- which was founded by two Canadian companies and plans to hire eight more employees in January -- decided to delay sales until "everything is in the exact order," Daigle said, adding he is "very, very confident" they will be selling commercially in January.

A shift to heating

With or without Biocardel Vermont, the biodiesel industry is gaining strength in Vermont.

"The heating oil industry hasn't waited for Biocardel," said Matt Cota, executive director of the Vermont Fuel Dealers Association, adding, "Vermont heating oil dealers are a fairly progressive bunch and are ready to take the jump."

More than a dozen of the 120 dealers the association represents already are selling heating oil blended with biodiesel, he said.

Although biodiesel was first billed for vehicle use, Vermonters are increasingly using biodiesel for heat. More biodiesel is expected to be used for home heating this year than for transportation, said Netaka White, executive director of the Vermont Biofuels Association. That's a reversal from last year when 40 percent of biodiesel was used for heating.

"Over time, people realized biodiesel works better with heating," White said.

The number of gallons of pure biodiesel consumed in Vermont has increased from about 9,000 gallons in 2003 to 364,000 gallons in 2006, White said. And use is expected to more than double to 750,000 gallons for 2007.

"I think the important fact is that the fuel dealers are trusting it," White said. "The fuel dealers want to sell a product that is reliable and has some environmental benefits."

There are 141,000 Vermont household that heat with oil -- and no furnace modifications are needed to heat with the lower percentage biodiesel blends, Cota said.

Bourne's Home Heating Fuels and Service sells heating oil blends with 2 percent to 5 percent biodiesel, said Larry Miller, marketing director for the Morrisville-based company.

For each percent of biodiesel blended with heating oil, the price increases by roughly 1 cent per gallon, Cota said. Bourne's, however, doesn't charge more for biodiesel blends.

"It's good for the economy, it's good for the environment, it's good for the future," Miller said.

Heating oil blends are kept lower than diesel blends to avoid gelling in the cold weather. In summer months, vehicles often use B20, a mixture of 20 percent biodiesel and 80 percent conventional diesel; B20 typically costs about 10 cents more per gallon than conventional diesel. Some drivers, however, do use pure biodiesel.

Bourne's gets its biodiesel blends directly from Canadian suppliers and from a wholesale facility in Essex Junction, which opened in August. Miller said he is looking forward to Biocardel Vermont starting commercial production since it would keep more of the process in the state.

Almost there

Biocardel Vermont's facility -- a former fertilizer plant on Babbie Boulevard in the Swanton Industrial Park -- is filled with stainless steel tanks, multi-colored pipes, two containers that each can hold 6,000 gallons of soy oil and an "explosion-proof" room -- where the soy oil is mixed with methanol and sodium-hydroxide and heated.

The soy oil, created by pressing soybeans, is imported from Canada. Biodiesel also can be made from other products such as sunflower and canola oil.

By the end of 2008, Biocardel Vermont hopes to be producing biodiesel at the rate of 4 million gallons per year, Migner said.

Biocardel Vermont's parent companies, Biocardel USA Inc. and Guilmax Inc., are in the process of lining up funding to build a facility in Pennsylvania. Biocardel also has received interest from Luxembourg and Spain, Daigle said.

Vermont successfully courted Biocardel to build in Swanton, in part, by approving \$534,222 in payroll and capital investment tax credits and \$645,355 in low-interest loans.

Economic development officials said they are not surprised there have been delays.

"It's a work in progress. We knew that going in. It's a lot of tweaking," said Tim Smith, executive director of the Franklin County Industrial Development Corp.

Jo Bradley, CEO of the Vermont Economic Development Authority, agreed. "Sometimes that happens, unfortunately," she said. "Sometimes projects become complicated and run into barriers."

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