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Stocks	D2
Mutuals	D2
Indexes	D2
Highlights	D4



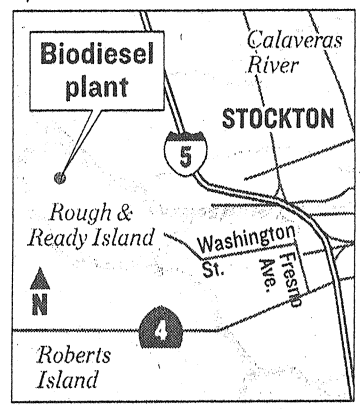
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Biodiesel company eyes port

Biodiesel plant leases port land

A biodiesel plant will occupy 2 acres at the port and adjoining warehouse space.



RICK HUDOCK/The Record

By Reed Fujii
Record Staff Writer

STOCKTON — Community Fuels, a startup biodiesel production company, plans to build its first plant at the Port of Stockton. The company expects to get into full production next year, employing 15 people at the facility able to produce up to 10 million gallons of biodiesel per year.

Port officials approved Monday a lease of 2 acres and 40,000 square feet of warehouse space to Community Fuels for nearly \$130,000 per year for three years with four five-year renewal options. They estimate the company will invest \$4 million to \$6 million in the project, as

well as nearly \$3 million more in a possible second phase.

Prior to the biodiesel project, the Stockton Port Commission also approved the lease of 58 acres for a 650,000-square-foot regional warehouse for Ferguson Enterprises — a plumbing and building-supply distributor that will employ 170 people. Officials estimated Ferguson will invest \$70 million in the project and pay more than \$400,000 a year in the first years of a 50-year agreement.

Biodiesel — vegetable or animal fats converted to a fatty ester than burns much like petroleum diesel fuel — is a rapidly growing motor fuel. The National Biodiesel Board estimates 75 million gallons of biodiesel was sold in

the United States last year, exponentially higher than the 2 million gallons sold in 2000.

Community Fuels' new plant should help further California Energy Commission policies seeking to increase use of petroleum alternatives, commission spokesman Rob Schlichting said.

There are four existing biodiesel plants in California producing about 12 million gallons of biodiesel a year, Schlichting said.

Of the Community Fuels project relative to state fuel consumption, he noted: "We use 10 million gallons of diesel a day, so maybe they would supply one day's worth."

Lisa Mortenson, company chief executive officer,

said Stockton was chosen for Community Fuels' first plant because of its location near Central Valley agriculture as well as the San Francisco Bay Area.

"You need to match the agricultural inputs with the end users and the production," she said.

While the company hopes to begin biodiesel production by using soy or canola oil brought by train car from the Midwest, it will look to cultivate California source for feedstocks.

The plant also could use animal fats, waste vegetable oils, safflower and other virgin vegetable oils in production.

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