
Label Gives Green Light To Ethanol-Blended Fuel

The largest biodiesel plant in Australia was officially opened by Commonwealth Finance and Administration Manager, Senator Nick Minchin, at Largs Bay in South Australia recently.

The plant, owned by Australian Renewable Fuels Limited, (ARF) can produce up to 45 MM litres of biodiesel annually and is the first of a series of five to start operations over the next two years.

Minchin said the Commonwealth government had provided \$7.15 million to help ARF build the plant as part of the Biofuels Capital Grants Program. "The government is keen to support the emerging biofuels industry and is working with the industry to achieve a production target

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of 350 MM litres by 2010", Minchin said. "This new facility will contribute considerably to that target."

He said the government's support for the biofuels industry was based on the environmental benefits of renewable fuels, the industry's potential to boost regional areas and its capacity to reduce Australia's reliance on imported oil. "But it is vital the industry proves that it is not reliant on permanent subsidies and can ultimately establish itself as an independent, viable industry", Minchin said.

ARF has also negotiated a distribution agreement with Dermody Petroleum for up to 45 MM litres of biodiesel annually with a guaranteed minimum volume component, valued at \$250 million for the period of the contract, at the current spot price.

ARF Managing Director Darryl Butcher said the opening of the plant was the first phase of the company's expansion strategy. He said the company aimed to become the largest biodiesel producer in Australia.

The company's second plant, located in Picton, WA, is scheduled to begin production at the end of April. ARF expects to produce more than 220 MM litres of biodiesel when all five plants become operational.

Butcher said fat was the principal feedstock in biodiesel production, based on technology developed by European company Energea. "ARF has an exclusive five-year feedstock supply agreement with Gardner Smith, the market leader in the delivery and storage of fats in Australia", he said.

Butcher said the widespread availability of biodiesel would make a tangible contribution to the reduction of greenhouse gases. "The production coming from the Largs Bay plant, 18 km north west of Adelaide, will abate more than 115,000 t of greenhouse gases each year", he said. ■