

Biodiesel niche

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Tankers loaded with discarded lolly oil rumble through a small King Country town before leaving with biodiesel fuelling eco-tourist boats and a multi-national petroleum company.

Te Kuiti's Environ Fuels is the largest private biodiesel producer in New Zealand and in true Kiwi fashion, owner Warren Holden started the business in his garage.

"I was fascinated by how vegetable oil could be put into diesel engines and run," he said.

"Initially the oil we produced supplied my earthmoving business but when I found out what it could do, I couldn't make enough."

The firm produces 400,000 litres annually and a new 1.6 million litre plant opening next year will barely meet increased demand.

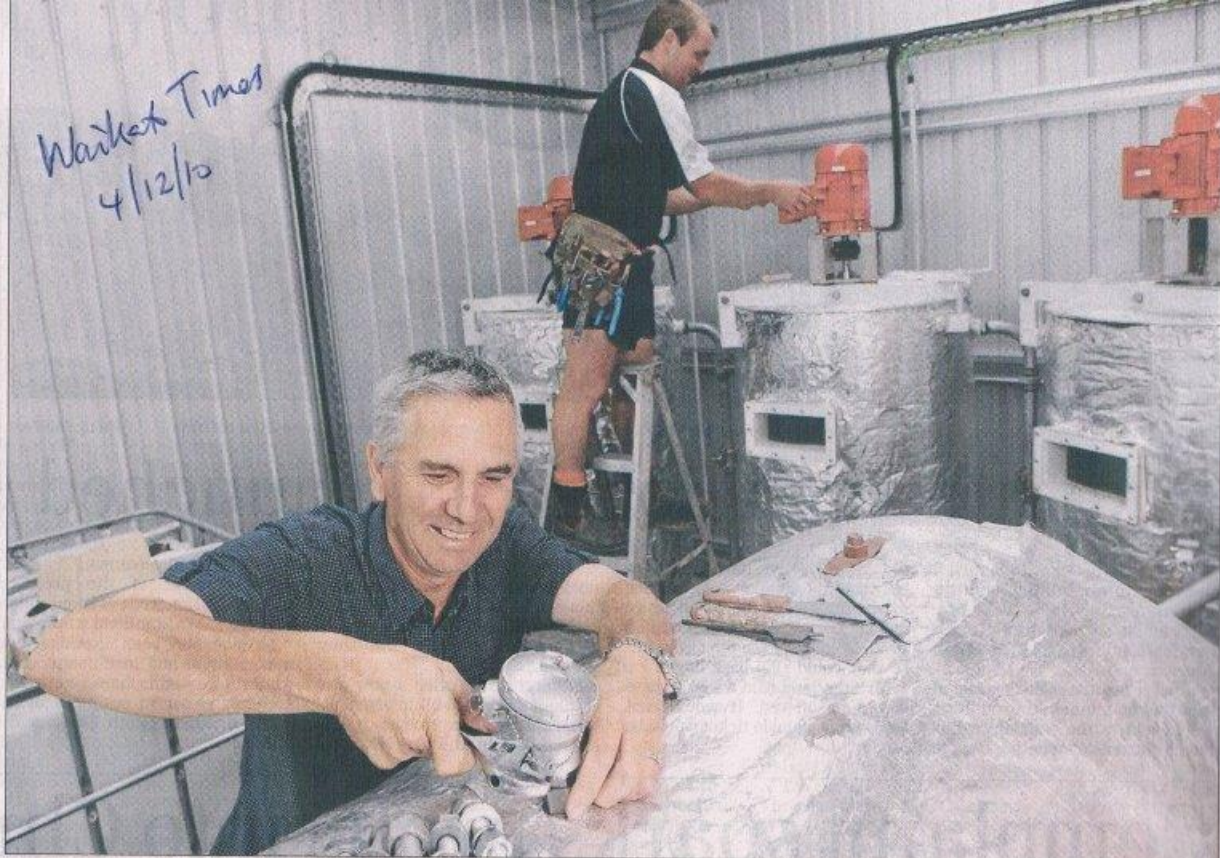
The new continuous plant will replace "batch processing" - which incurred downtime between batches - and can operate 24 hours. It will be the only continuous biodiesel plant in New Zealand.

"We have come full circle. Back then we grew crops to feed the horses ploughing but now we grow crops to fuel the tractor."

Mr Holden started production of biodiesel in 2006, from waste oil sourced from an Auckland confectionery company, and produces five to 100 per cent biodiesel blends which meet fuel standards.

But the renewable energy source continues to face perception issues. "Biodiesel is often seen as the poor cousin to diesel. But it is not... we must adhere to strict government regulations.

"The only way this will change is if original equipment manufacturers [including machinery and vehicle manufacturers] accept higher biodiesel blends. They have to accept it and change their view on warranties. It won't take off until then."



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Liquid gold: Environ Fuels owner Warren Holden works with Sam Needham, of John Deere Electrical, on the processing plant.

Photo: CHRIS HILLOCK

Gull Petroleum purchased almost 150,000 litres off Mr Holden for an initiative launched in September supplying its forecourts with a 5 per cent biodiesel blend. After a successful one-year trial this could increase to more than one million litres.

A government grant scheme aimed at increasing the scale of biodiesel in New Zealand has allowed the company to be competi-

tive against diesel. Mr Holden supplies biodiesel to his earthmoving company, Ruakuri Contracting, which negotiated with Hitachi Global to warranty 20 per cent biodiesel use on earthmoving equipment. Historically only 5 per cent had been accepted.

"It was a big step for them, definitely outside their comfort zone. It's the only agreement in the Pacific, I understand."

The contracting firm received an Energy Efficiency and Conservation Authority transport award in November. Judges said the company had put its larger peers to shame.

Since 2005 it has cut heavy machinery fuel use by 13 per cent, replaced 90,000 litres of diesel with biodiesel and reduced CO₂ emissions by 140 tonnes.

"It was a conscious decision to

turn green, not a commercial decision," he said.

"The climate is changing and we don't know if it's global warming or a cycle but this is something we can do. We believe we are doing something that makes a difference and for us that is important."

Biodiesel fuel works on any diesel engine including vehicles, buses, trucks, earthmoving equipment and generators.