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BIODIESEL PRODUCTION WOULD BENEFIT OUR CITY, COUNTY, STATE

Let's encourage efforts to produce the eco-friendly fuel in our area

On Turner Road SE, Oregon's first biodiesel-production plant is turning spent frying oil into fuel -- the modern equivalent of turning straw into gold. SeSequential Biofuels and Pacific Biodiesel Inc. operate the plant, using leftover oil from restaurants and Salem-based Kettle Foods. With a nudge from proposed state tax credits, operations like this could make Oregon a leader in developing biodiesel. As this renewable resource becomes more popular, its price should rival that of petroleum diesel. That eventually could mean cleaner air, less reliance on imported oil and new crops for Oregon farmers. So far, this initiative rests mainly on private investors, including country singer Willie Nelson, and on visionaries willing to pay a little extra to put biodiesel to the test.

Jim Bernau, president of Willamette Valley Vineyards, has started using biodiesel in delivery trucks and tractors. **Salem developer Steven Ribeiro will use biodiesel engines to generate electrical power for his Independence Station mixed-use development.** The Oregon Department of Transportation's Salem fleet and the cities of Portland, Eugene and Corvallis belong in the "visionary" category as well. All use a mixture of 20 percent biodiesel and 80 percent petrodiesel in their rigs. It costs 15 to 20 cents more per gallon than regular diesel fuel.

Salem and Marion and Polk counties ought to join that group. Their participation would help local farmers judge whether biodiesel would work for them. Temporary tax incentives could speed development of this industry in Oregon. House Bill 3481 would provide tax breaks for biofuel researchers, producers, and farmers who grow crops for biofuel production. That could bring jobs and research dollars to the state.

Legislators must resolve two competing versions of the bill. The House version extends an income-tax credit that rewards companies for following pollution-control laws. The Senate version pulls the plug on this needless bit of pork, which has cost taxpayers \$300 million over the life of the credit, said Sen. Ryan Deckert, D-Beaverton. That's the better bill. Oregon is known for its commitment to the environment. We have rich farmland and a land-grant university, Oregon State University, ideally suited to research new crops.

Biodiesel makes sense for this state. Let's encourage it.