

Statement by
Ben Doon, co-manager of the Costilla County Biodiesel Pilot Project
Release of *Homegrown Prosperity from the Bottoms Up*
March 12, 2009

The Costilla County Biodiesel Pilot Project was first conceptualized in 2001 by then County Commissioner Joe Gallegos. Commissioner Gallegos was searching for economic development opportunities that would capitalize on the county's natural assets, namely abundant agricultural and undeveloped land and traditional farming and ranching activities. His search led him towards agriculture based renewable energy projects with biodiesel rising to the top for three main reasons. For feedstock crops, canola had shown tremendous potential in this area in limited production through high yields and premium oil contents. For fuel, Costilla is a county with large mountain tracts, including two 14,000' peaks, yet there are no federal public lands here and the county has an inordinate amount of vacant subdivisions. This leaves the County responsible for maintaining a tremendous volume of roads. Consequently Costilla County burns significantly more diesel fuel than its larger and more populated neighboring counties. Lastly there is a thriving small-scale, family based livestock industry in the county and with our harsh, high altitude winters, premium protein feed has constant demand. Therefore a local biodiesel project made sense in terms of the potential for recruiting farmers for feedstock production and by off-loading the fuel and feed meal by-product with virtually no marketing.

There has been essentially no private capital invested in Costilla County through its 150+ year history except for water diversion projects, or extractive industries such as logging and mining. Therefore the only way to get new projects off the ground is to leverage government funds. The County Government has partnered with a local 501(C)3 economic development organization to build and raise grant funds for a vertically integrated biodiesel production facility co-located with oil seed crushing.

Our facility is currently producing a few hundred gallons of biodiesel per week as we continue to add automation features and ramp-up production. We have purchased about 200-tons of locally grown oil seed crops thus far. The crops are stored on-site at the facility and cleaned and processed for oil and feed meal. The oil is filtered and converted to biodiesel in 100-gallon batches. We then create custom blends of biodiesel from B1-B99 at the facility's mixing station and then transfer the blend to an outdoor fuel tank where vehicles can fill-up at an on-site gas pump. We are currently adding infrastructure to automate the seed handling and delivery systems for the oil seed feedstock. In addition we continue to trouble shoot and develop our production system as we learn through trial and error the most effective ways to operate our production line.

Though the project is still in its infancy stages, the County has displaced several thousand gallons of diesel fuel with its own biodiesel. The County has been burning B40 in the cold weather months in its graders, dump trucks and snow removal equipment and significantly higher blends in the summer with no reported problems by our drivers or mechanics. The facility has created five jobs in an area desperate for new employment opportunities. It has created a new, local and reliable market for oil seed crops and it has given area ranchers a local, low cost option for premium protein feed. In addition the project has brought-in over \$535,000.00 in grants funds from seven different organizations to help support the project's infrastructure.

<http://www.costillacounty-co.gov/biodieselpilotproject.html>