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BIODIESEL BENEFITS: ENERGY SECURITY

FUEL DIVERSITY:

Biodiesel is a non-toxic alternative fuel produced from domestic, renewable resources such as vegetable oils, animal fats and recycled greases. It acts like petroleum diesel fuel, but contains no petroleum. The U.S. uses approximately 20 million barrels of oil a day, more than half of which is imported. Roughly 67 percent of all U.S. oil consumption is in the transportation sector. About 37 billion gallons of on-road diesel are used each year in the U.S. By offering a choice, the U.S. is no longer dependant on only one fuel.

PRICE STABILITY:

While biodiesel has historically cost slightly more than petroleum diesel, biodiesel has more recently maintained price or gone down in price as compared with petroleum diesel, which saw an increase of 42% in 2005. Biodiesel's price depends on domestic feedstocks, not on foriegn governments.

JOB CREATION:

Biodiesel will create permanent new jobs. According to a 2006 report (Urbanchuk, John M., "Contribution of the Biodiesel Industry to the Economy of the United States," National Biodiesel Board, report 6346-072006-1000), the increase in final demand resulting from the combination of new construction and ongoing biodiesel production will support the creation of more than 39,100 new jobs in all sectors of the economy by 2015.

ECONOMIC GROWTH:

According to the above report, expansion of the biodiesel industry could displace at least 242 million barrels of crude oil between 2006 and 2015. Since the U.S. is a net importer of oil, this means that less oil will need to be imported. As a consequence, \$13.6 billion (2005 dollars) will remain in the American economy instead of being sent abroad to finance oil imports. Increased economic activity and new jobs result in higher levels of income. The biodiesel industry is expected to put an additional \$627 million (2005 dollars) into the pockets of American households each year for a total impact of \$6.3 billion (2005 dollars) between 2006 and 2015.

POTENTIAL U.S. BIODIESEL GROWTH*	
Current Potential:	1.7 billion gallons (2004)
Near-Term Potential:	3.5 billion gallons (2015)
Long-Term Potential:	10 billion gallons (2030)
* National Renewable Energy Laboratory, Publication TP-510-. 34796, Biomass Oil Analysis: Research Needs & Recommendations, June 2004	

ENERGY BALANCE 3.2 TO 1

A U.S. Department of Energy and U.S. Department of Agriculture full lifecycle emissions study found that for every unit of fossil energy needed to make biodiesel 3.2 units of energy are gained. In contrast, society uses 1.2 units of fossil resources to produce 1 unit of petroleum diesel. This means every gallon of biodiesel we use has the potential to displace four gallons of petroleum.

TAX REVENUES:

Expansion of the biodiesel industry will generate additional tax revenues for government at all levels from personal and corporate income taxes that increase in line with higher output levels and larger GDP. Expansion of the biodiesel industry as described above can be expected to generate an estimated \$8.3 billion (2005 dollars) of additional tax revenue for the Federal government and \$650 million (2005 dollars) of revenue for state and local governments between 2006 and 2015.

For more about biodiesel benefits, please visit www.communityfuels.com.