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Chevron Invests In Texas Biodiesel Plant

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Posted by: [Irvin Dawid](#)

Thanks to: [Ralph Borrmann](#)

13 May 2006 - 4:00am

Renewable fuels received a big boost from the country's second largest oil company. After an investment in ethanol fuel, Chevron acquired 22% of a Texas soybean biodiesel plant, meaning that biodiesel production in the U.S. will increase over 50%.

Chevron acquired 22% of Galveston Bay Biodiesel's facility in Galveston, Texas. It produce up to 100 million gallons a year of biodiesel, a fuel that is made from components of soybean oil. The plant will boost U.S. biodiesel output by 54%.

"The Galveston plant will treat soybean oil with chemicals to extract esters, which will be processed into diesel that is indistinguishable from petroleum-based diesel.

"This is a niche sector for us," Chevron spokesman Leif Sollid said.

"The investment follows Chevron's January announcement of plans to begin selling fuel made mostly from corn-based ethanol this summer in California. With crude oil approaching \$75 a barrel, President Bush is encouraging production of biodiesel and ethanol as alternatives to petroleum-based fuels."

"The federal government indirectly subsidizes the biodiesel industry by giving refiners a \$1-a-gallon tax credit for diesel made from fresh vegetable oil and a 50-cent-a-gallon credit for each gallon made from recycled grease."

Source: *Los Angeles Times*, May 12, 2006

Full Story: [Chevron Invests in Biodiesel Deal](#)

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