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## BIRTH OF A BIODIESEL CO-OP

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BALLE BEAT

Ann Bartz

WHAT can a biodiesel co-op do for your local economy and community? It keeps the money that the members would ordinarily ship off to Chevron and Saudi Arabia circulating and recirculating within the community. It improves the balance of trade and energy security. And it's another step in making it cheap and easy for people to reduce their dependence on fossil fuels. Plus it encourages people to work together toward that goal. Plus it captures and uses something that has until recently been discarded as waste, which nixes disposal costs and keeps grease out of our water and sewer systems. Plus biodiesel burns cleaner than regular diesel, and improves engine performance. Biodiesel production and distribution create local jobs, increase the local tax base from plant operations and income taxes, and can raise the price to farmers for production agriculture inputs such as soybean oil. Cooperative efforts to produce and distribute biodiesel, an alternative diesel fuel made from animal fats or vegetable oils (including recycled restaurant oils), are springing up around the country; [www.biodieselamerica.org](http://www.biodieselamerica.org) includes a Google map of many of them along with links to further resources. Ted Rouse and the Chesapeake Sustainable Business Alliance (CSBA), the Baltimore BALLE network, just launched a biodiesel distribution co-op, and it's been an excellent project for the network.

Co-chair of the CSBA, Ted is the son of James Rouse, the developer of Columbia, Maryland. Ted has spent more than 25 years in urban regeneration - Struever Brothers Eccles and Rouse is a major builder and smart growth developer of office, retail, industrial, and green-built residential communities in the Baltimore and mid-Atlantic region. In 2004, Ted sold part of his interests in SBE&R and formed Healthy Planet LLC to focus on sustainable real estate and economic development projects in Latin America. Some of those projects include carbon credit financing in Honduras, sustainable tourism development in Mexico, and

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urban permaculture in Brazil. He's also more than committed to building his local Local Living Economy.

The idea of a Baltimore biodiesel co-op began almost two years ago with a nonprofit called Term 21, which developed the concept but couldn't get it off the ground. Term 21 applied for a \$3,000 grant from the Maryland Department of the Environment to buy equipment to make its own biodiesel, but had no location and didn't get the grant. Meanwhile, along with other owners of biodiesel cars in Baltimore, Ted was frustrated about having to drive an hour out of Baltimore to buy fuel. Inspired by the Berkeley biodiesel co-op and the National Biodiesel Board ([www. biodiesel.org](http://www.biodiesel.org)), he began holding monthly meetings with interested CSBA members, and with Davis Burkhardt took on the effort to turn the idea into reality. They found real estate and someone with the equipment they needed, and began making biodiesel. But getting consistent quality and labor was harder than they'd imagined, so they changed their goal to becoming a distributor of biodiesel.

Ted's best friend from high school loaned them a 2,000-gallon tank and warehouse space in the city. The warehouse is also home to the Mill Valley year-round farmers' market and East Coast Organics, which takes chemicals out of institutional landscaping efforts. They then ran into trouble with the 2,000-gallon tank - the EPA requires anyone storing anything in a tank that large to file a spillage containment plan for approval and get a permit for aboveground storage tanks. Their biodiesel supplier, Taylor Oil, which supplies construction sites, found them a 500-gallon tank and a containment tub, as well as a pump - while they were under the impression they would get a discount for the bigger tank, that turned out not to be the case.

The co-op started on October 28, 2006, distributing out of 500-gallon tanks. The co-op pays \$3.17 per gallon, which includes 48 cents per gallon in fuel taxes. With no aggressive marketing, they have 22 members signed up. It costs \$100 to join, \$70 of which is a nonguaranteed loan to pay for the initial costs of the co-op. It also covers the cost of a booth at the farmers' market (\$50 a month) and a credit-card processing machine. Volunteers take turns staffing the co-op from 10:30 to 1:30 on Saturdays; they'd like to be open on Friday nights as well.

They're now dealing with the issue of warming the tanks to keep the biodiesel from gelling in the cold weather. They're mixing B99 (almost pure biodiesel) with kerosene to make B50-55, and will go back to B99 in warm weather.

They ended up getting the \$3,000 grant from Maryland DOE themselves for hard asset costs, which was all they needed to get up and running - a tank, tub, pump, and security enclosure for the pump, which was a relatively expensive piece of equipment. Two-thirds of the money went toward costs other than fuel, and \$1,000 of the grant plus member dues covers the costs of fuel. In-kind donations also covered some of the costs of the tank and storage.

They've also received help from the Maryland Soybean Promotion Board, which has a subsidy program to encourage people to use biodiesel.

The co-op model is working well for them - better, they think, than a straight for-profit model would have. Most gas stations make their money off the attached convenience store as they sell gasoline at such slim margins. With a co-op, there's no worry about margins or profit, just making back their initial investment and being able to cover the costs of modest growth. Instead of making a lot of money, their goal is to allow the people of Maryland better access to biodiesel and a smaller carbon footprint.

Davis Burkhardt, John Shepley, who grows green roof plants and makes his own biodiesel to

heat his office and greenhouses, and CSBA executive director Keith Losoya were all instrumental in getting the co-op going. Aside from devoting staff time, CSBA is also helping the co-op raise money to grow. Says Ted, "These kinds of projects are good for BALLE networks to do - it's very rewarding to have tangible projects."

Baltimore Biodiesel Cooperative ([www.baltimorebiodiesel.org](http://www.baltimorebiodiesel.org)) is now a Maryland nonprofit organization that distributes and promotes environmentally sustainable biodiesel fuel for on-road and off-road vehicles for government, business, and private use. The co-op offers support to residents of Maryland interested in biodiesel, whether they want to brew it themselves, brew it in groups, or purchase it from the co-op as a member. The co-op manages a Yahoo group and database for anyone interested in using biodiesel, whether or not co-op members.

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