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Gen-X Energy opens door on renewable fuel

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By Andrew Sirocchi, Herald staff writer

The idea hatched in a humble parking lot in front of a fast food restaurant long before biofuel became popular jargon.

And Friday, the six founders of Gen-X Energy Group stood in a sprawling building where they were hailed as visionary leaders paving the way to Washington's future.

State politicians, farmers, growers and entrepreneurs mingled in the company's refurbished 18,000-square-foot warehouse at the Port of Walla Walla's Burbank Industrial Facility for the company's inaugural celebration, opening the way for the biodiesel plant to start production.

Standing on a podium near two massive metal tanks that soon will yield up to 5,000 gallons of biodiesel each, Sen. Jana Holmquist, R-Moses Lake, gave the Gen-X founders the loudest praise.

Holmquist in 2006 pushed forward the renewable fuel standards that will require Washington distributors to ensure at least 2 percent of their diesel sales come from biodiesel fuel by Nov. 30, 2008.

"This plant is a step to fulfilling that vision," Holmquist said. "It's going to benefit our farmers, our consumers, our entrepreneurs, as well as our environment."

It will help reduce the region's dependence on foreign fuels, Holmquist continued, as well as create local jobs for plant workers and go a long way toward making sure Washington's air remains clean.

Biodiesel -- which is produced when animal fat or multiple diverse oils react with methanol and potassium or sodium chloride -- is blended in various proportions with petrodiesel and will reduce a vehicle's emissions while maintaining performance.

"Biodiesel, up until a few years ago, wasn't a buzzword," said Brian Moreno, Gen-X's chief marketing officer. "Now, we have a nationally recognized fuel, grown locally, produced locally and that reduces emissions by 59 percent."

The company has permits allowing it to produce 5 million gallons of biodiesel annually. It estimates it will yield about 3 million gallons by the end of this year but Gen-X owners already have plans for growth and say the Burbank plant has the capacity to produce up to 40 million gallons a year.

"We will grow with the local community, as the demand for biofuels grows locally," said president Scott Johnson.

The company will begin testing its production facility next week and should be fully up and running by the end of the month.

When Gen-X's founders set forth on their venture, their idea was to produce biodiesel locally and sell it to Seattle and Portland wholesalers who have a broader market to which they could distribute the product.

But the market has quickly changed and Gen-X discovered distributors and buyers can be found much closer to home.

Tony Christensen, director of sales and marketing for R.E. Powell Distributing Co. in Grandview, said his company recently signed a contract with Gen-X to buy and market its biodiesel regionally. Christensen said R.E. Powell has been importing biodiesel from Seattle but buying locally will now reduce the company's shipping costs and remove one of the limitations that makes selling the new fuel more difficult -- the cost of trucking.

"As of right now, there's been a lot of talk about renewable fuels but people like Gen-X are just starting up," he said.

"The market is millions and millions of gallons. It's a matter of price competitiveness."

On Friday, that dynamic potential attracted legislators such as Holmquist as well as Sens. Mike Hewitt, R-Walla Walla, and Jerome Delvin, R-Richland, and Rep. Larry Haler, R-Richland, to the new Gen-X facility.

"What's great about an opportunity like this," Delvin said, "is that it's local."

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