San Francisco Drivers First with Algae Biofuel

The Associated Press

REDWOOD CITY, Calif. (AP) — Drivers in the San Francisco Bay Area have become the first motorists in the nation to fill up their gas tanks with an algae-based biofuel.

The fuel, known as Biodiesel B20, went on sale Tuesday at gas stations in Berkeley, Oakland, Redwood City and San Jose as part of a month-long pilot program, according to the San Francisco Chronicle (http://bit.ly/TIbSSH [1]).

Biodiesel B20 is made from 20 percent algae and 80 percent petroleum, and can be used by any vehicle that runs on diesel. Advocates say it is the first in a wave of clean fuel to hit the marketplace.

"We are putting a stake in the ground," said Matt Horton, chief executive officer of Propel Fuels, as he prepared to fill the first tank with the algae-based product at a Valero station in Redwood City. "We hope to build hundreds of stations like this in California."

The fuel's algae was grown by South San Francisco-based Solazyme Inc. and already has been used in trials by the military and industrial companies.

It was sold for about $4.25 a gallon at the Redwood City station, about the same as the average price for diesel fuel in California.

"We're talking about fuels that are offered at standard diesel pricing," said Bob Ames, Solazyme's vice president in charge of fuels and commercialization.

Horton said most diesel vehicles could run on 100 percent algae fuel, but doing so would result in higher costs for consumers. He added that many automakers oppose allowing a mix higher than 20 percent.

Horton said the goal is to increase the blend as supply and demand increase over time.

"It really is an access question that we're working to remedy," Horton said. "None of these fuels are a silver bullet that is going to fix the problem and get us off oil.

"It's going to be a variety of fuels. Our task is to drive awareness," Horton added. "When consumers know it is available, that it is priced right and it reduces carbon emissions, they will use it."

Officials say a decision will be made on whether to continue offering the biofuel after the pilot project.

Information from: San Francisco Chronicle, http://www.sfgate.com *[2]*

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