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Gusher Discovered in San Francisco

Amidst debate as to whether America can drill its way out of dependence on foreign oil, a Philadelphia company announced it struck oil—right in downtown San Francisco. Rather than drilling for crude petroleum oil, BlackGold Biofuels has developed processing technology to convert the millions of gallons of rancid, “crude” organic waste oil and greases from city sewers into biodiesel—a renewable, low-carbon diesel fuel. Yesterday, Mayor Gavin Newsom announced the first commercial installation of this technology.

“Our cutting-edge brown-grease-to-biodiesel plant will break new ground toward accessible, sustainable energy and serve as a model for the entire state and the country,” said Mayor Gavin Newsom. San Francisco has licensed BlackGold Biofuel’s technology and purchased processing equipment to install onsite at its Oceanside Water Pollution Control Plant.

By November 2009, the San Francisco Public Utilities Commission (SF PUC) will produce biodiesel at a rate of 100,000 gallons per year. This is the first commercial-scale production facility utilizing this technology in the country. BlackGold Biofuels (formerly known as Philadelphia Fry-o-Diesel) developed and demonstrated the process at its Philadelphia pilot plant over the past 4 years. It now licenses the technology and sells the associated skid-mounted processing units. The SF PUC is pioneering this small-scale installation as a model for public and private sewage treatment plants, and will develop a toolkit to facilitate implementation at cities across the nation. Converting this grease into biodiesel not only solves a pollution problem, it provides fuel for the PUC. Additionally, the by-products can be utilized in other processes at the treatment plant.

“This is recycling on steroids—taking one of our communities’ most rancid wastes and converting it into one of our most valuable commodities,” said BlackGold Biofuels CEO Emily Bockian Landsburg.

Unlike oil from a restaurant deep fryer, this sewer grease is so foul that conventional biodiesel processing technology is not cost-effective, and until now the grease has been considered a nuisance pollutant. A mechanism called a grease trap captures grease that’s gone down the drain and prevents it from going deeper into sewer pipes. If the grease does penetrate farther into the sewers, it lines the pipes like cholesterol in an artery, clogging the pipe and causing a sewer overflow. The SFPUC estimates that grease blockages in San Francisco sewers account for 50% of all sewer emergencies and annually costs the City \$3.5 million in cleanings.

The grease is vacuumed out of the trap on a regular basis and trucked to a waste water treatment plant where the haulers pay to dispose of it. The treatment plants have historically transferred it to an incinerator or landfill. With BlackGold Biofuels’ new technology, waste water treatment plants can convert the grease into a new revenue stream or keep the fuel for internal use.

"This project brings together diverse partners to achieve multiple environmental benefits, helping to reduce greenhouse gas emissions, protect San Francisco's water and minimize waste," said Deborah Jordan, the U.S. EPA’s Air Division director for the Pacific Southwest region.

Making biodiesel from these pollutants offers many advantages, no matter which side of the pump you’re on. Grease is a leading cause of sewer overflows, which cost municipalities millions in fines,

damage public and private property, and release untreated contaminants into the watershed. Finding a beneficial reuse creates incentives to keep grease traps properly maintained, reducing overflows. For biodiesel producers, raw materials comprise about 75% of production costs; starting with a low or negative-value, material translates into an ability to make fuel for a much lower cost. In times of boom or bust, reducing municipal costs and making renewable fuel production more profitable is always in favor, creating jobs and value to ratepayers.

It's a nice reciprocity that BlackGold's technology provides such benefits to municipalities, as several government entities have played major supporting roles in the company's evolution. BlackGold has a technical collaboration with the US Department of Agriculture, working closely with the Eastern Regional Research Center's Agricultural Research Service. While California has taken the lead in implementation, it was early grant support from the PA Department of Environmental Protection that helped bring this technology to market. San Francisco isn't the only city that benefits; BlackGold Biofuels is completing a capital raise this spring as it expands corporate operations in Philadelphia.

BlackGold Biofuels, formerly known as Philadelphia Fry-o-Diesel, is licensing its patent-pending technology to convert low-quality fats and greases into biodiesel. The technology was developed over the past four years at the company's Philadelphia pilot plant in collaboration with the US Department of Agriculture and support from the PA Department of Environmental Protection. The Pennsylvania startup will execute a capital raise this spring in order to expand operations. For more information visit www.blackgoldbiofuels.com or call 215-413-2122.