



Committed to the future of rural communities.

Louisiana—Rural Business & Cooperative Service

Alternative Energy

USDA Funding Helps Transform Cooking Oil into Fuel

Outline Of Need:

Consolidated Energy Holdings, LLC contacted USDA Rural Development because of issues locating the funding needed to convert and reopen a bio-diesel refinery. They requested assistance in the form of a Business and Industry Loan Guarantee, as well as Rural Energy for America Grants and a Loan Guarantee.

How Rural Development Helped:

USDA Rural Development worked with Consolidated Energy Holdings, LLC and was able to secure loan guarantees and grants totaling over \$10 million. These funds were used for the refinance of short-term debt, purchase of a feedstock holding tank, and the installation of both a feedstock pretreatment system and methanol recovery column, to complete the biodiesel facility in Pollock, LA. These guarantees and grants will provide capital to complete the expansion of the facility, as well as allow for a lower interest rate and extended terms resulting in a lower annual debt service.

The Results:

After being successful in receiving these funding opportunities from Rural Development, Consolidated Energy Holdings, LLC

Fast Facts

Program: Business & Industry (B&I) Guaranteed Loan Program & Renewable Energy For America Program (REAP)

Congressional District: 4th

Investment: \$10 million B&I loan guarantee
\$371,926 REAP grant

Demographics:

- Population of Pollock—376

Impact:

- Saving jobs, creating jobs, investment, production of renewable power
- 2 jobs created

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New equipment installed to convert cooking oil to energy at CEH.

(CEH) celebrated the grand opening of their biodiesel plant in Pollock, Louisiana. The plant previously operated as Vanguard Synfuels but ceased operations due to the high cost of soybeans and other virgin oil feedstock used to make biodiesel fuel.

Now, with help from USDA Rural Development and new modifications at the plant they are up and running. Consolidated Energy Holdings, LLC was able to equip the plant with a newly developed component. This addition will produce biodiesel from yellow grease and other waste organic products to lower production cost. Production of biodiesel at competitive pricing at an estimation of 12 million gallons of biodiesel per year is now on target.

USDA Rural Development guaranteed loans and energy grants will also provide for a retrofit at their other location at the Port of Alexandria. The port facility will now have necessary equipment to sell, blend, ship, and receive fuel and feedstock. The savings, due to the reduction in transportation cost at the port, are expected to be 12 to 15 cents per gallon. This funding opportunity has enhanced CEH cash flow to operate, and provided jobs for 29 individuals and saved four jobs in a hurricane impacted, persistent poverty, and special emphasis high unemployment, Lower Mississippi Delta Commission area.

“This investment is improving the quality of life by creating economic development opportunities in a rural area of Central Louisiana,” said Clarence W. Hawkins, State Director, USDA Rural Development. A White House Business Council Roundtable discussion was held after the ribbon cutting ceremony with representatives from various community and business organizations throughout Central Louisiana.

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