

Innovative financing for Greasecycle Inc. supports local biofuel industry



As a business with strong environmental, social and economic values it's easy to see why Vancity chose to finance the creation of Greasecycle Inc. By developing an innovative finance package, Vancity is helping a small green business make a big impact.

Greasecycle is a BC company that collects and processes waste cooking oil from restaurants in the Victoria and Vancouver areas and supplies this as Straight Vegetable Oil (SVO) to producers for fuel or for conversion to biodiesel. The company is co-owned by Miles Phillips and Brian Roberts. Miles is also President and Project Manager of the Cowichan Energy Alternatives Society (CEA). CEA supports the

creation of sustainable local energy projects and also runs a biodiesel production and distribution social enterprise in Duncan, BC. CEA also recently launched the Vancouver Island Biofuel Network (VIBN), which focuses on encouraging collaboration, versus competition, between biofuel companies. Together, these partnerships support the growth of BC's biofuel industry as a regional component of the larger British Columbia Biofuel Network.

Maureen Cureton, Vancity's Green Business Manager, was impressed with Greasecycle's positive impact from end to end. Biodiesel is a low-carbon alternative to diesel and gasoline. Greasecycle collects and processes used cooking oil from hundreds of local restaurants and then delivers it to biodiesel producers including CEA. Instead of the waste potentially damaging our ecosystem, this valuable resource stays in local communities, creating jobs. Biofuel also reduces dependence on fossil fuels, extends engine life, increases mileage, stabilizes pricing and reduces harmful emissions.

Restaurants benefit from having a free and reliable service through Greasecycle and they also benefit by no longer having to pay for waste removal. The cooking oil goes through a process that modifies, cleans and prepares the oil for immediate use in most unmodified diesel vehicles.

Miles says Vancity has been very supportive of the biofuel industry. Last year, Vancity helped the CEA launch a new 24-hour access biodiesel cardlock facility. Mark Fulmer, Vancity Account Manager, helped Greasecycle secure financing by preparing a powerful presentation. This required consultation, creativity, collaboration and resulted in a customized agreement. A package was arranged for \$250,000 in financing, partly funded by Vancity's unique capital backstop program, which provides extra support and protection for loans in new and emerging areas. The Greasecycle terms were also unique because CEA was allowed ownership interest. This innovative agreement has created a powerful long-term partnership between a for-profit company and a not-for-profit organization. Both Vancity managers, Maureen and Mark, expect to see more arrangements like this in the future. When financing an emerging company, Mark looks for an interesting business model that aligns with Vancity's values and paves the way for future initiatives.

BC's biofuel industry is making a great impact yet it has its challenges. Miles hopes the BC government will once again exempt biofuel from the carbon tax, if only for a period of time, as the industry gets established. The BC biofuel industry has gained international recognition and CEA and the Cowichan Biodiesel Co-op are proud to have hosted the 2011 International Collective Biofuel Conference. The city of Duncan in the Cowichan Valley was the first Canadian location to be chosen for this event, which ran from August 5-7 and was sponsored by Vancity. The previous conference was held in Washington, D.C.

Vancity is pleased to support Greasecycle Inc. and its leaders in reaching their goals of developing a sustainable, local biofuel industry while building a model for further growth in BC and beyond.