

## Shell inks renewable diesel deal in Oregon

By **Marissa Luck** Published 9:13 am CST, Tuesday, February 5, 2019



Man pumping gas

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Royal Dutch Shell has inked a long-term deal to purchase renewable diesel from a proposed \$1 billion renewable project in Oregon.

Shell Trading Co. said it would purchase renewable diesel from NEXT Renewable Fuels Inc.'s proposed 12.3 million barrel (600 million gallon) project in Port Westward on the Columbia River in northern Oregon, according to an announcement from NEXT. The company will supply Shell and other partners with its alternative liquid fuels once the project opens in 2021.

NEXT renewable diesel is a second-generation advanced biofuel made from 100 percent renewable feedstocks including used cooking oils, animal tallows and selected virgin seed and vegetable oils.

"As a drop-in fuel, NEXT's renewable diesel is a perfect fit with our existing fuels business and will allow us to integrate this advanced fuel seamlessly into our supply chain," said Kate Andresen, Shell Biodiesel Trading Manager for the Americas, in a statement.

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Shell isn't the only energy company with Houston ties getting into renewable diesel.

Houston's Phillips 66 last November **announced** it would partnering with Renewable Energy Group Inc. to build a large scale renewable diesel plant next to its existing oil refinery in Ferndale, Wash. Phillips 66 also is **teaming up with California-based Ryze Renewables** to build two diesel plants in Nevada.

Renewable diesel is an alternative fuel that is chemically similar to petroleum diesel and nearly identical in its performance characteristics. Compared to biodiesel, renewable diesel can be blended into petroleum diesel at higher blend levels.

The West Coast projects will likely aim to satisfy California's demand for cleaner diesel that fits into the state's low carbon fuel standard program that went into effect in 2011. According to the **Energy Department**, renewable diesel accounted for 10 percent of the total diesel supplied to California in the second quarter of 2018.

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