

S.C. entrepreneur leads alternative fuel trend with homemade biodiesel

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Eric McLeod's biodiesel tanks.

BY ANA KACZMAREK

The light gray floor tiles in Eric McLeod's office hint at the fact that the mortgage business isn't his only occupation. Black scuff marks and shoe prints seem almost out of place in the tidy office of the 29-year-old entrepreneur, who founded McLeod Capital seven years ago and achieved success as the mortgage industry boomed.

A graduate of Notre Dame High School in Sherman Oaks and a Studio City native, McLeod decided that although satisfying his business left him itching for a larger challenge. So he decided to start producing biodiesel out of the back of his Studio City office.

"There's just so many creative ways that people are learning to make fuels right now," he said, displaying a bottle of some homemade biodiesel on his desk. "We never knew how to do that before because gas was so cheap. There was never any need to."

McLeod speaks with authority about the alternative fuel derived from vegetable oil, having spent a year learning about biodiesel and another six months putting together his own proprietary system in a small room behind his office. The few hours a day he spends testing the fuels account for the state of his office floor.

Biodiesel fuels can be made from vegetable oils or animal fats and can be poured directly into a diesel gas tank for what many call a cleaner, more efficient source of energy. The American Society for Testing and Materials sets diesel and biodiesel standards, which the young businessman has met and is now working to exceed.

"I see alternative fuels... as really being the next explosive market," said McLeod, who has also created Pacific Natural Energy, which includes blueprints for a 40-foot portable crate that could house his biodiesel system. The endeavor would allow a small company to enter the fuel market competitively, netting an estimated \$150,000 to \$1.5 million per year.

McLeod has made some small tweaks to the standard biodiesel formula - like using diatomaceous earth instead of water and a tankless water heater instead of

electric heating - in order to create a more cost effective biodiesel production model.

These changes lower his production cost to around 70 cents per gallon, something he appreciates when filling up his own gas tank (although the gas mileage improvement is lost on him due to his tendency toward quick acceleration).

"It just comes down to simple economics, that's why

we haven't seen this in the past," he said of the current popularity of alternative fuels. "Not because this technology is so sophisticated; it's more that we haven't ever had a need to do it."

McLeod's process yields glycerine as a by-product. He believes restaurants or other businesses that dispose of large amounts of vegetable oils are the best candidates for purchasing his system.

The process may provide a way to wrestle free of foreign oil dependency in what he calls a "win-win" situation - no harmful by-products, and a profit for those wanting to make a business of it.

"There's no choice and wars are essentially being fought over [oil]," he explained. "It just makes so much sense to try to make as much fuel here, as efficiently by lowering emissions, making it safer and just start to wean ourselves off of that [foreign oil]."

Dr. Stewart Prince, who works on internal combustion engines in the department of mechanical engineering at California State University Northridge, sees biodiesel as a part of the solution, along with other alternative energies.

"It's sort of part of an overall comprehensive plan - if you use solar, and you use wave energy, and you use biodiesel and you do all these things together maybe we can make a dent in the use of oil, especially imported oils," Prince said. "But one thing, like biodiesel in itself, I don't think it can make a significant difference."

McLeod seems eager to start making that dent. He explained that he's building a prototype of the system and is willing to sell it, help fund it or even partner with someone who wants to start making biodiesel - something he attributes to the openness of the alternative fuels industry.

"I want to see if I'm the kind of person that can build something whether it's a mortgage company, a fuel company or any other type of company," he said. "I want to see if that's what I am; an entrepreneur." *

For more information on Pacific Natural Energy, visit www.stopxon.com.



PHOTOGRAPHER from page 1 with his family, "and I turned around and saw the tree."

As darkness surrounds his subject, a white light shines on the front of the tree, lending the photograph an air of mystery.

After browsing his photographic library, one might come away with the impression that Dobrowner's view of civilization - with his shad-

owy mountains and austere landscapes - is somewhat bleak.

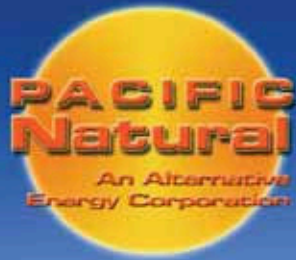
But although his images are set in contrasting tones of black and white, evocative of Ansel Adams' use of light and darkness, Dobrowner still views the world he shoots in positive terms.

"Nature is beautiful, and I try to capture it as such. I'm not trying to capture the bad side, but the way we've chosen to inhabit the land." *



PHOTOS: MITCH DOBROWNER

Photos (from top) "Church Rock," "Civilization" and "Dawn."



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