

Son's biodiesel idea fuels new family business

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Send your kid away to college and you never know what crazy ideas he'll come back with.

Spencer Gordon returned with one that's turned into an unlikely family business.

Perfect Circle Renewable Energy produces biodiesel fuel for the commercial market from local restaurant waste oil. The relatively small 2-year-old company hopes to get bigger in an industry powered by hope and government incentives but slowed lately by the economy and the moderate price of petroleum.

Advocates say environmentally friendly biodiesel offers a compelling alternative to petroleum for diesel engines in trucks and cars. U.S. production increased from 500,000 gallons in 1999 to 700 million gallons last year.

The industry has suffered some setbacks this year. Nationwide, production is expected to decrease by 50 percent, and a third of all biodiesel plants have temporarily closed due to lower demand, according to media reports.

John Gordon, 56, who launched the family's successful main business, Gordon Document Products, 22 years ago, wasn't exactly enthusiastic when Spencer, 25, came to him while still in school with the concept that became Perfect Circle.

"I didn't really say, 'Are you nuts?'" John Gordon said. "But I did say that I didn't have the time to discuss it. I put him off politely. ... I said, 'That's nice.'"

But during a parents weekend trip to Colorado College in Colorado Springs, "where the whole idea was to spend time together," son took father to see a biodiesel prototype.

That spurred John to do some follow-up reading on biodiesel, which he learned burns cleaner than fossil fuels, reduces dependence on foreign crude and can cost about the same, depending on market rates for petroleum.

Biodiesel, which can be made from vegetable oils or animal fats, is refined and produced according to industry specifications. It is not raw vegetable oil, and it is not intended for gasoline-powered engines, unlike ethanol,

which is made from corn. Biodiesel can be used by itself, although more often small amounts of it are blended with petroleum.

The Gordons, John said, first decided to power their office machine business' trucks on biodiesel from waste vegetable oil "so we could tell people we were a green company, and because it's good for the environment. We didn't think then to make it a commercial enterprise."

Spencer got the biodiesel bug after seeing a film about the making of the fuel. "That resonated with me," he said. "I watched my dad being an entrepreneur all his life and always wanted to follow in his footsteps."

The office machine business, he said, "wasn't that attractive; no offense. I wanted to hang my hat on something. This is an opportunity for me to do that and still make money," which, he said, "we hope to do."

Profit will come, the Gordons believe, if demand grows and if they can accommodate growth while adding capacity.

Last year, Perfect Circle produced about 15,000 gallons of biodiesel. This year, the expectation is 50,000 gallons. Next year, it's 225,000 gallons, which would make the company a medium-size player in an industry where some competitors make tens of millions of gallons.

The National Biodiesel Board lists 176 American biodiesel producers, including nine in Georgia. Among them are Ellenwood-based BullDog BioDiesel, which has a Pennsylvania parent company, and U.S. Biofuels in Rome. A representative for the board, an industry trade association, said Perfect Circle is applying for membership.

The biodiesel board said the industry goal is to replace 5 percent of petroleum diesel demand, mainly with low-level biodiesel blends, by 2015.

Federal law is in place that would require 1 billion gallons of biodiesel in the U.S. fuel supply by 2012, but rules implementing the law have yet to be approved.

Among alternative fuels, biodiesel has taken a back seat to ethanol, which has had strong political support. The federal government does offer a \$1 per gallon tax credit to companies that use biodiesel.

Still, those in the industry say biodiesel production has come far in a short time.

Not long ago, "People were making it in their garages," said Bobby Heiser, a partner in BullDog BioDiesel. "It started as a hobbyists' thing."

Global recognition of the harmful environmental impact of greenhouse gases from sources including petroleum, combined with the economic and political costs of acquiring and developing petroleum sources, has driven the demand for alternative fuels.

Biodiesel, boosters say, can fill some of the resulting need.

“All of us know there is some value to the waste cooking oil that’s not being fully utilized,” said Stephen Smith, executive director of the Southern Alliance for Clean Energy. “You just have to make sure that you have a business model that really works.”

Based in Tennessee, the alliance is converting its own biodiesel facility from nonprofit to for-profit status.

For its part, Perfect Circle is making fuel 24 hours a day, and the Gordons are looking to add capacity.

The company collects waste vegetable oil from 125 restaurants for processing at its Atlanta plant. The restaurants usually give the grease away, saving them the cost of hiring somebody to dispose of it.

Companies with fleets of diesel-burning trucks, and buy biodiesel in bulk, are the typical end users. One of Perfect Circle’s eight customers is Serenbe, an environmentally sustainable community south of Atlanta that for the past 1½ years has used the company’s biodiesel in its dozen or so trucks, including tractors.

Serenbe spokeswoman Tucker Berta said using biodiesel has saved money and “allowed us to be even more Earth-conscious.”

Thanks to Spencer Gordon’s once-wild-sounding idea, John Gordon said he’s become more Earth-conscious, too.

“He’s opened my eyes to conservation and the environment, John Gordon said. “This business has a very good social purpose.”

That’s just one of the things father and son have come to learn from and about each other as they go about the consuming task of building their business.

“The more I work with my dad,” Spencer said, “the more I realize the wisdom he’s garnered in 30 years (in business).”

Added John, “I’ve never seen anybody work harder. And I’ve never had as much fun as I am working with my son.”