

POLICY WATCH + FLEET BUSINESS CASE

Illinois Biodiesel Expansion Strengthens the Case for Homegrown Clean Fuels

Incobrasa's Gilman expansion shows how state policy, federal fuel standards, agriculture, and fleet economics can align to strengthen Illinois' clean fuels economy.



A practical Illinois clean-fuel story: soybeans processed close to home, biodiesel produced in-state, and a lower-barrier fuel option for diesel fleets evaluating cost, resilience, and emissions performance.

Incobrasa's recent biodiesel expansion in Gilman, Illinois, is more than a company milestone. It is a clear example of how state policy, federal fuel standards, agricultural production, and clean transportation markets can work together to support Illinois-based energy production.

With the expansion, Incobrasa has more than doubled its biodiesel production capacity from 75 million gallons to 170 million gallons and positioned its Gilman site as the largest integrated soy crush and biodiesel production facility in the country. That matters for Illinois because it connects several priorities that are often discussed separately: farm markets, domestic fuel production, fleet operating economics, energy security, and economic development.

At its core, the project reflects the value of an integrated clean fuels supply chain. Soybeans grown in the region can be processed into soybean oil, converted into biodiesel, and used in diesel engines and equipment that are already operating across Illinois and the Midwest. For agriculture, it creates additional market demand for soybean oil and supports value-added processing close to production.

The expansion also shows the importance of consistent policy signals. The federal Renewable Fuel Standard has helped create long-term market demand for renewable fuels, while Illinois' biodiesel tax incentive has strengthened the economics for in-state production and use. Together, these policies helped create a business environment where a major private-sector investment could move forward.

THE FLEET BUSINESS CASE

For diesel fleets, biodiesel can be an economic strategy as well as a clean fuel strategy. Biodiesel blends up to B20 can ~~often~~ be used in existing diesel vehicles and fueling systems, allowing fleets to reduce emissions without immediately replacing equipment, redesigning routes, or making major infrastructure investments. Biodiesel can also help fleets diversify their fuel portfolio and reduce exposure to petroleum diesel price volatility. While biodiesel prices are still influenced by feedstock markets, diesel prices, tax policy, and fuel-credit values, domestically produced fuels can provide an additional supply option when global petroleum markets are disrupted by geopolitical events, refinery constraints, or supply-chain shocks.

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A Lower-Barrier Strategy for Diesel Fleets

That policy alignment is important. Clean transportation progress is often associated with new vehicles, charging infrastructure, or emerging technologies. Those are essential parts of the transition, but they are not the only tools available. Biodiesel can play an immediate role in reducing lifecycle emissions from heavy-duty vehicles, off-road equipment, agricultural operations, construction fleets, municipal fleets, and freight movement.

For Illinois, biodiesel is especially relevant. The state has a large agricultural economy, major freight corridors, substantial diesel demand, and a growing clean transportation sector. Investments like Incobrasa’s demonstrate that clean fuel strategies can support both environmental and economic goals when they are grounded in the state’s existing strengths.

The Gilman expansion also reinforces a broader lesson for fleets and policymakers: clean transportation does not require a one-size-fits-all approach. Battery-electric vehicles, hydrogen, renewable natural gas, propane, biodiesel, renewable diesel, and other technologies each have roles to play depending on duty cycle, fueling access, cost, vehicle availability, and operational needs.

For many diesel fleets, biodiesel remains one of the most accessible near-term options. It can be blended into conventional diesel fuel and deployed without the same infrastructure lead time required for some other technologies. That makes it particularly useful for fleets looking to take practical steps now while planning for longer-term technology transitions.

For fleets, the economic value of biodiesel is tied to practicality. Unlike some clean transportation options that require new vehicles, charging equipment, facility upgrades, or route restructuring, biodiesel can often be incorporated into existing diesel operations with limited upfront capital cost. That makes it especially relevant for fleets that want to control costs, extend the useful life of current equipment, and make incremental progress while evaluating longer-term vehicle and infrastructure investments.

Illinois’ biodiesel tax incentive can further strengthen the business case by lowering the cost of biodiesel blends compared to petroleum diesel. For high-mileage or fuel-intensive operations, even modest changes in fuel economics can matter. The result is a clean fuel option that can support emissions goals while also fitting the financial and operational realities of many Illinois fleets.

Incobrasa’s expansion is also a reminder that Illinois is not just a consumer of clean transportation technology. By supporting in-state production, Illinois can help retain more of the economic value associated with clean fuels while strengthening domestic energy supply chains.

FLEET QUESTIONS	ILLINOIS LENS	SOURCE NOTE
Before increasing biodiesel use, it is important to consider engine manufacturer support positions, fuel quality specifications, seasonal blending practices, storage requirements, blend availability, and price.	The expansion shows how Illinois’ agricultural base, clean fuel incentives, freight network, and energy policy can work together to support domestic clean fuel production.	Draft based on the NOPA announcement linked by IACT and the user-provided summary. Verify exact production capacity, investment, jobs, and any quotes before publication.

Working source: National Oilseed Processors Association announcement, “Incobrasa Doubles Biodiesel Production Capacity, Strengthening American Energy Security,” <https://www.nopa.org/incobrasa-doubles-biodiesel-production-capacity-strengthening-american-energy-security/>