Navy's Green Fleet pays the price for biofuel

The U.S. Navy made history and raised eyebrows last week when it launched its "Great Green Fleet" with a $26-a-gallon price tag.

For the first time, a carrier strike group is using a biofuel/petroleum blend during a military operation, the annual Rim of the Pacific exercise, Reuters reported.

The Pentagon hopes it can prove the Navy looks as impressive burning fuel squeezed from seeds, algae and chicken fat as it does using petroleum.

But the demonstration, years in the making, may be a Pyrrhic victory.

Some Republican lawmakers have seized on the fuel's $26-a-gallon price, compared to $3.60 for conventional fuel. They paint the program as a waste of precious funds at a time when the U.S. government's budget remains severely strained, the Pentagon is facing cuts and energy companies are finding big quantities of oil and gas in the United States.

U.S. Navy Secretary Ray Mabus considers investing in biofuel research critical to the nation's defense, and he believes that through the Pentagon's support, the biofuel market will have the confidence it needs to eventually have competitive prices.

The Navy has been at the forefront of energy innovation for over a hundred years, Mabus says, transitioning from sail, to coal, to oil and then to nuclear from the 1850s to the 1950s.

"Every single time there were naysayers," he said recently. "And every single time, those naysayers have been wrong, and they're going to be wrong again this time."

Navy officials say the biofuels cost more partially because they are sample batches. And $26 per gallon is cheap compared to the $424 per gallon the Pentagon paid Solazyme Inc. for a sample batch of algae oil biofuel in 2009.

Fox News and The Hill also reported on the story.