



## **Ethanol Foes Try A New Tactic Those Who Don't Want Plant In Their Conoy Backyard Argue That The Fuel Doesn't Save Energy; Investors Say It's A Start**

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LANCASTER COUNTY, Pa - As owner of Nissley Vineyards in Bainbridge, Judy Nissley is steeped in grapes and vintages, vidal blanc to cabernet franc.

She knows a thing or two about alcohol.

But four years ago, when a group of local farmers proposed building a huge distillery right down the road, she didn't know much about the product they planned to make. Ethanol is nothing more than grain alcohol — made in the United States almost exclusively from corn — mixed with a little gasoline. And on the surface, said Nissley, this "biofuel" seemed promising, a way to reduce the country's dependence on foreign oil.

So she and her neighbors focused on air quality and other environmental concerns, train and truck traffic: the sort of things cited by every citizens' group trying to stop development in its backyard.

But in the course of their opposition research, Nissley said she and her neighbors began to "trip all over this information." Assertions that it requires more energy to produce than it saves. Claims that it has driven up the price of corn — and that the price of food across the board has gone up as a result.

The plan was beaten back. But earlier this year a second group of investors announced it would seek Conoy Township's permission to build a \$100 million ethanol plant on a 65-acre tract between Route 441 and the Susquehanna River that adjoins the Lancaster County Solid Waste Authority plant.

Neighbors have again mobilized against the plant — and against ethanol itself.

The group, which bills itself as C-Power (Citizens Protecting Our Water/Air from an Ethanol Refinery), maintains a Web site titled "Fight Ethanol" ([fightethanol.com](http://fightethanol.com)). On it, the group argues not just that the geology of this specific site is inadequate and that the plant might hurt air quality, but that ethanol is one giant boondoggle.

"We have all learned a lot about ethanol in the past few years," said Carol Bromer, a C-Power member. "It does not take much research to discover that ethanol is not the 'answer.' "

That frustrates Sid Marland, a spokesman for Lancaster Biofuels, the company that wants to build the ethanol plant. Yes, he agrees, ethanol itself may not be the answer, but it's part of the answer, a necessary stepping stone if the country is ever to move toward energy independence.

"This is really an anywhere-else-but-here issue," he believes.

But one that ultimately could have an impact on state, perhaps even federal energy policy.

Not part of debate

Matt Creme Jr. cautions, however, that energy policy will play little if any role in the Conoy Township debate.

Creme, township solicitor, said the issue is whether Lancaster Biofuels "has met the criteria for the use and whether anyone opposed has demonstrated that this particular plant is contrary to the health, safety or general welfare of the community.

"Whether we need an ethanol plant or that its product is good or bad is no more relevant than whether we need another shopping center or Turkey Hill Minit Market or whether those uses sell good or bad products," said Creme.

A conditional-use hearing on the proposal will be continued at 6 p.m. Tuesday, Oct. 16; additional hearings have been set for Oct. 23, 24 and 29, and Nov. 19 and 21.



Bainbridge is hardly the only community where plans to build an ethanol plant have generated controversy. Residents in Mayfield, Lackawanna County, are battling a proposed \$150 million plant in that town; proposals in Hampton Roads, Va., Sparta, Wis., and even Akron, Iowa — corn country — have sparked widespread opposition.

But elected leaders remain bullish on ethanol. In 2005, the U.S. Congress set a goal of doubling the amount of ethanol used by motor fuels to 7.5 billion gallons. The country, according to *The New York Times*, is on track to exceed that. In his January State of the Union speech, President George W. Bush set a new goal of 35 billion gallons by 2017. Three months ago Congress upped that ante, to 36 billion gallons by 2022 — 15 billion gallons from corn, 21 billion gallons from advanced biofuels that have not yet been produced commercially.

Last week, Pennsylvania Gov. Ed Rendell unveiled his "Energy Independence Strategy," part of which would require the state to "grow and use 1 billion gallons of clean and renewable fuels," and that every gallon of gasoline sold in Pennsylvania contain 10 percent ethanol.

To reach that goal, Rendell wants to make hundreds of millions of dollars available for grants and loans and infrastructure development to facilitate the production of "clean energy" — at plants like the one proposed in Conoy.

Marland says the plant will be an "economic driver," generating around 40 "career jobs"; and while initially at least the plant would buy the bulk of its corn from the Midwest, eventually "we're going to be buying from anyone who wants to sell to us" — which could create a new market for local growers.

The problem with that, said Chester Hughes, interim director of the local Penn State Cooperative Extension office, is that Lancaster County is a corn-deficient area. "It might seem we grow a lot, but we actually have to bring corn in from outside the area because we have so much livestock to feed," he said.

"There are farmers who think [an ethanol plant is] a good thing," said Hughes, as well as others "who think it's not good to have around."

#### Rising prices

As a result of increased ethanol production and demand for corn, corn prices are up about 50 percent this year, and soybean prices are projected to rise up to 30 percent as farmers replace soy with corn in their fields. Concurrently, the price of animal feed has gone up, which raises the price of dairy and poultry products.

Marland said the Conoy plant would be constructed with a flexible "front end," meaning that if it became commercially viable to produce "cellulosic ethanol" — made not from corn but from corn stover, wheat straw, wood or other nonfood plant materials — the plant could begin to do so.

Cellulosic ethanol is not currently being produced commercially in the United States, though the U.S. Department of Energy in February announced it will invest \$385 million in six such plants over the next four years. Nathaniel Greene, a senior researcher for the Natural Resources Defense Council, is quoted in the current edition of *National Geographic Magazine* as saying that "(W)e can create ethanol in an incredibly dumb way... But there are many pathways that get us a future full of wildlife, soil carbon, and across-the-board benefits." The key, he says, is cellulosic ethanol, coupled with more efficient vehicles and communities, which "could eliminate our demand for gasoline by 2050."

#### End to subsidies

But government subsidization of the industry is a major bone of contention. Seth Obetz of Worley & Obetz, a major investor in the Lancaster Biofuels project, says large-scale production subsidies ended in 2006, and subsidies for small-scale producers are slated to expire in 2008.

There is a tax credit of 51 cents per gallon available to those who blend ethanol with gasoline, along with the generous government grants and low-cost loans for those building ethanol plants. The corn industry is already heavily subsidized.

There is also debate over the effect of ethanol on gas mileage. Last year, *Consumer Reports* ran a report on ethanol that concluded that while "flex fuel" vehicles (which can run on either straight gasoline or E85, a mix of 85 percent ethanol and 15 percent gasoline) had cleaner emissions, but lower mileage rates, tests on a Chevrolet Tahoe determined the use of E85 caused its fuel economy to drop from 14 miles per



gallon to 10 mpg. The loss of fuel economy, the magazine concluded, means ethanol ultimately costs drivers more than gasoline.

Dollars and cents aside, Obetz maintains that the most important benefit of ethanol is that it represents a first step in breaking America's addiction to foreign oil.

"It is currently the only viable and substantial alternative to gasoline that we have," he said. "Ethanol is not THE answer, but it is a big part of the answer, which would include many alternatives including conservation, hybrid cars, biodiesel, hydrogen [and more]."

"Right now the choice is: support ethanol or support oil from hostile foreign nations."

But on its Web site, C-Power points out that ethanol is less fuel-efficient, and that the farming, distilling and distribution of ethanol consumes more oil than it replaces. Increased fuel efficiency, the group asserts, could eliminate the need for ethanol entirely.

But, asks Obetz, doesn't the country have to start somewhere?

It's one thing to oppose nearby development, another to undermine an industry that now may be the country's best hope for energy independence. "When I talk with people who oppose ethanol, when asked if they have a better solution, the response is often, 'hmm, good question,' " said Obetz.

"If we wait for a perfect solution to our oil crisis we will be waiting for a long time."

But better to wait, say members of C-Power, than to roll the dice on what might be the wrong solution.

As the ethanol bandwagon picks up speed, contests like the one in Bainbridge are going to be scrutinized by citizens in other towns who don't want a plant in their backyards.

"I think what has happened here in Lancaster County has happened in communities throughout the country that are protecting their neighborhoods from an ethanol plant," said Carol Bromer. "People have educated themselves."

As for Judy Nissley, she admits that her primary concern is the environmental impact of the plant. She worries about what it might do to the soil, the air, her grapes.

But self-interest led her to conclude that "we're on the wrong total track with ethanol."

"For every plant you build, it gets more entrenched," she said.

"I would say, don't build them at all."