

Ethanol: Consumers subsidize production and still pay high prices.

April 12, 2006

DeEtta Antoun, Director

Citizens for a Quality Environment

The ethanol industry would like the public to continue to believe that ethanol will be required by law to be added to gasoline as an oxygenate well into the future. Oxygenates (currently MTBE or ethanol) will only be required by law until May 2006, but not much published information clarifies that. The Energy Policy Act of 2005, enacted August 8, 2005, deleted the sections of the Clean Air Act that required an oxygenate to be added to gasoline. This change takes effect on May 5, 2006—then neither ethanol nor MTBE will be required as an oxygenate in gasoline.

The Energy Policy Act of 2005 does require the use of “Renewable Fuel.” Renewable Fuel includes ethanol and biodiesel. Current corn ethanol production capacity, according to the Renewable Fuels Association, is at 4.5 billion gallons, with total capacity at 6.5 billion gallons when all distilleries “Under Construction” come on line. But The Energy Policy Act of 2005 only requires 4.0 billion gallons of renewable fuel in 2006, and does not reach the 6.8 billion gallon per year requirement until 2010. Other countries with cheap labor and limited, if any, environmental regulations are looking at exporting their sugar cane ethanol to the U.S. Some countries already trying to export their ethanol to the U.S. are Belize, Costa Rica, Haiti, Jamaica, and El Salvador.

The Energy Policy Act of 2005 also adds the following requirements to the Clean Air Act Section 211(b): "(A) to conduct tests to determine potential public health and environmental effects of the fuel or additive (including carcinogenic, teratogenic, or mutagenic effects); and a "...(4) STUDY ON CERTAIN FUEL ADDITIVES AND BLENDSTOCKS." Part of that study requires "...a study on the effects on public health (including the effects on children, pregnant women, minority or low-income communities, and other sensitive populations), air quality and water resources of the adjustment for ethanol-blended reformulated gasoline to the volatile organic compounds performance requirements...."

These requirements resulted from studies conducted in several states (California Air Resources Board's in particular) which show that burning ethanol or ethanol-gasoline blends in vehicles actually creates more low level (ground level) smog and fine particulate soot than gasoline. Unfortunately, ethanol emissions from its use as a blended fuel will be in the air long before adequate studies on its effects are completed

Ethanol production from corn has polluting and damaging effects on the immediate environment surrounding the distilleries which are well documented. Much information about lawsuits by municipalities, the EPA, various states and their environmental agencies, and residents are on our website at: www.C4aQE.org. Ethanol distilleries want to be viewed as “Minor Sources” of air pollution by regulatory agencies, but they usually morph into Title V “Major Sources” of air pollution once operations begin. As they are constructed to produce larger and larger amounts per facility, the contamination to surrounding communities increases exponentially.

The goal of renewable energy research, development, and implementation is to move our country away from its reliance on foreign oil and toward cleaner, safer, less expensive energy independence. Scholarly research of fuel ethanol production from corn such as Tad Patzek's Thermodynamics of the Corn-Ethanol Biofuel Cycle, February 2006, demonstrates that it requires more energy to produce the corn ethanol than it delivers. Clearly, such high-volume usage of fossil fuels to bring corn ethanol to market only increases our dependence on foreign oil.

Even from the consumer's point of view, fuel ethanol simply makes not sense. Ethanol costs about the same as gasoline (more in some areas). But according to the most recent EPA mileage tests (confirmed by AAA) E85 ethanol (85% ethanol and 15% gasoline) yields 20% to 30% fewer miles per gallon than gasoline.

To make the ethanol scheme work, we first pay every April 15th for federal corn production subsidies, and for federal tax credits to ethanol distillers, blenders, and importers. Then pay premium prices at the pump for ethanol that gives us 25% fewer miles-per-gallon.

As printed in the Chambersburg, PA, Public Opinion, April 12, 2006