

Cornwall turns up its nose at green fuel

Cites "odours" as reason for taking back ethanol land

By Nelson Zandbergen

CORNWALL -In an apparently fatal setback, the Cornwall ethanol project lost the patience of city politicians and failed their smell test during the last week of March.

The city dredged up odour concerns while reaffirming council's earlier decision to revoke the land where the Seaway Valley Farmers' Energy Co-operative had struggled for 12 years to build their proposed ethanol plant.

"City Council has determined that in addition to its right to repurchase the property as permitted under the original Agreement of Purchase and Sale, this type of development is no longer suitable in the municipality given the odours that can be generated from an ethanol plant," Cornwall City Hall announced on the evening of March 27 - 24 hours after SVFEC directors appealed to council for more time.

The city's press release concludes that Cornwall "is committed towards the continued development of a local economy which would not be adversely affected by any operation that could have a negative effect on its reputation as a preferred location in which to invest."

"Disappointed" with the "tragic" decision, Richard Lavigne, past president of the SVFEC, was part of the delegation that appeared before council at the closed-door session March 26.

Lavigne told The AgriNews March 29 that odour never came up as a concern when members of council asked questions of the group during their 20-to 30-minute presentation.

"I wish they had been up front with us," he said, adding that technological advances have solved the odour issue.

The group left the council chambers having been told to expect an answer the following day, according to Lavigne.

The city's official 'no' did indeed come at 6 p.m. - hours after the news had already hit the streets of Cornwall. "The newspaper had the story before we did," he complained, expressing disappointment at the city's "unprofessional" handling of the information.

Lavigne said he exited the meeting with a sense of optimism, although he knew that some of the civic politicians "from looking at their faces" hadn't changed their minds.

"I felt when we left there that we would be able to continue working as a partnership [with the city]," he offered.

Over the years, the city has granted the co-op six extensions on a development deadline contained in their \$205,000 deal for the Industrial Drive property, originally inked in 1995. The last extension expired Dec. 31, 2006.

A seventh extension until the end of June would have given the co-op a chance to access new federal ethanol funding announced March 19, according to Lavigne, who acknowledged that the deadline on a previous \$10.5-million federal grant had lapsed.

"It's so tragic the Seaway group will not have the opportunity to see if that would be the magic bullet," he said of the Harper government's new fund. "We have been told by our Member of Parliament [Guy Lauzon] that we would be eligible or hopefully fast-tracked," he said.

Personally involved with the project since 1995, Lavigne's voice briefly trembled as he declared, "My heart is broken."

Also "very disappointed" at the news, SVFEC president Gord Munroe said that directors expected to meet shortly to discuss their options. "We've got quite a few assets we've got to evaluate," Munroe said.

He found it ironic, he said, to hear members of city council profess their environmental consciousness, only to turn down the production of green fuel in their community.

Munroe said the co-op is "not seriously" considering moving the project to another site at this point "unless there's an angel somewhere out there."

It would take "more than a year" to get the necessary regulatory and environmental permits if the project were moved, he pointed out.

He also revealed that this winter's rise in the price of corn and a corresponding decrease in the price of ethanol had added to the co-op's financial-planning challenges. "It sort of gave us a blip there."

A number of issues have yet to be discussed, including the mechanics of giving back what's left of the investors' money, he acknowledged.

Asked whether a possible lawsuit against the city was also being considered, Munroe replied, "All these things have been mentioned, but there's been no discussion."

Cornwall Mayor Bob Kilger told The AgriNews that he supported council's decision.

Kilger, who previously served as the area's long-time MP and once handed out a \$10.5-million federal funding commitment to the co-op, said it was time to put the land "back in our inventory."

The mayor added, "We already have somebody looking at a part of that [23 acre] parcel."

"I certainly hope they find to build elsewhere," he said of the co-op.

Although not the "primary reason," Kilger said odour concerns were a "component" of council's decision.

Before meeting with the co-op, the mayor and other members of council had gotten phone calls and e-mails from city residents in support of the buy-back because of the odour issue, he said.

The mayor also explained that Cornwall frankly isn't eager to pick up a new scent now that Domtar - the industry that for so long contributed a pungent ambiance to the town - has shut down.

Local MPP Jim Brownell said the Minister of Agriculture and Food, Leona Dombrowsky, had expressed her regrets to him about the SVFEC setback. "She came to me and said how disappointed she was," said Brownell.

The MPP said he was looking forward to officially announcing a \$6-million capital grant for the co-op, once they had their shovels in the ground.

"I encourage Seaway, if there's any opportunity, to move to another location," said Brownell, who emphasized his willingness to assist if the co-op makes that decision.

Asked for his opinion on council's denial of a seventh deadline extension, Brownell replied it was "the city's decision to make."

He described the situation as "unfortunate" and noted that an ethanol plant "would be bringing jobs to the community."

Fred Evans, a corn-buying manager with GreenField Ethanol, the firm constructing its own ethanol plant in nearby Prescott, suggested there might have been room for two ethanol plants in the region - at least from an output perspective.

"I should think, given our proposed consumption of ethanol [at Ontario gas pumps], that there's room," said Evans, in Chesterville at a Dundas Soil and Crop meeting March 29.

But availability of locally grown corn to feed the plants might be another matter, Evans suggested. Thirty-five million bushels of corn are produced annually in the region, he noted, with Casco taking 16-million and GreenField expecting to consume 20-million annually.