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## Alternative fuels get traction

**By Taft Wireback**  
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Southern Pines -- Dale Ross likes the lower cost per gallon and the higher octane. He likes ethanol's environmental benefits.

But the Charlotte resident said that's just part of what brought him to the new America's Fuel station here last week to fill up with E85, the fuel made almost completely from fermented corn.

The big reason?

"I try to use it whenever I can because it's made right here in America," Ross said. "So, hopefully, that means none of my money is going to the Mideast."

The new station is the first in North Carolina, and possibly the United States, to sell only alternative fuels. One blend is a form of ethanol that all gasoline-powered cars can use. Another is suitable only for "flexible-fuel vehicles" such as Ross' Chevy Tahoe. The third is a biodiesel mixture appropriate for most diesel engines.

The station is a hopeful sign that North Carolina is joining the fledgling movement to make the nation more energy independent. A range of similar alternative fuels is available in the Charlotte area and in the Triangle.

The Triad doesn't have any such outlets yet, according to the state Solar Center at N.C. State that promotes the use of renewable fuels. But the Shelby-based distributor who supplies the Southern Pines station says he is looking for retail partners in the Greensboro area.

Meanwhile, the owner of the new America's Fuel station 80 miles southeast of Greensboro said he invested in alternative fuels because it's a good business opportunity with a product whose time has come.

"We're much too dependent on foreign oil," said America's Fuel owner Bill Smith, who also owns a Ford dealership in Southern Pines. "These fuels are certainly not a complete fix. But it's a great band aid for the immediate future."

The savings for E85 users in Southern Pines on Wednesday was a dime per gallon compared with regular unleaded. Last year, E85 customers were saving 25 cents per gallon or more, but ethanol supplies have tightened in recent months, said Ray Thomas, the Shelby distributor.

Alternative fuels already have a solid track record in North Carolina with state and local

governments. State government began experimenting in 1990. The state's motor fleet now includes more than 5,500 cars and trucks using E85 or compressed natural gas.

There are an estimated 8 million "flexible-fuel vehicles" in the United States, more than 102,500 of them in North Carolina. Owners are often unaware of their cars' versatility because alternative fuels haven't been widely available.

The federal government has been encouraging auto manufacturers to make the flexible-fuel vehicles for nearly a decade. But the program did not require a matching source of E85, so millions of the vehicles have never used it.

That could be about to change because of rising gasoline prices, sent through the roof after Hurricane Katrina last year and more recently by jitters about the escalating global demand for crude.

Suppliers bring most ethanol and biodiesel into North Carolina by rail, truck and barge from producing states, particularly in the Midwest.

By late next year, North Carolina could be an ethanol producer. At least two companies have plans to build plants in eastern North Carolina and say they hope to start making ethanol by the end of 2007.

Not everybody is certain about alternative fuels, particularly ethanol. Critics note the short-lived popularity of gasohol, an ethanol mix that gained notoriety 30 years ago after the Arab oil embargo of that era drove up prices.

Then, high concentrations of ethanol caused problems in cars not built to handle it.

That's one reason many retailers are leery of E85, said Gary Harris of the N.C. Petroleum Marketers Association. He said ethanol also delivers fewer miles per gallon, with some users reporting losses up to 25 percent. Biodiesel stands a better chance of acceptance because it's easily used in current service-station equipment.

Red Council, who owned the America's Fuel station for nearly 53 years as a gasoline-only retailer for Exxon, was on hand last week to greet customers returning to the same pumps now filled with an entirely different fuel.

He remembered that in the station's early days customers could buy five gallons of gasoline for a dollar. Those were exciting days to be in the business, Council said, but it's also nifty being involved in something that could take the energy industry in a new direction.

"I just hope it makes them Arabs mad," Council said.

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