



NEWS RELEASE

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Ethanol Delivers Valentine's Day Present

Increased Use of Ethanol Slowing Gasoline Demand, Driving Down Prices at the Pump

WASHINGTON, DC – The rapid growth of America's domestic ethanol industry is helping America reduce its gasoline and foreign oil use and lower prices at the pump, according to an article today from *Reuters* ("Ethanol boom may stifle U.S. gasoline demand," 2.14.08). According to *Reuters*, "explosive [ethanol] production is stifling an established driver of oil markets -- U.S. gasoline demand -- and could lead to lower prices at the pump."

The article notes that ethanol production in 2007, which the Renewable Fuels Association estimates to have been 6.5 billion gallons, is up 130,000 barrels per day according to the Energy Information Administration. That is equivalent to the amount of gasoline a medium-sized oil refinery produces. Through November 2007, the latest date available, ethanol production was averaging 417,000 barrels per day or 17.5 million gallons per day – the equivalent of three medium-sized oil refineries.

In an interview for the article, Eric Wittenauer of AG Edwards in St. Louis stated, "Ethanol blending could help ease U.S. refining bottlenecks and that could be ultimately reflected in lower prices at the pump."

Equally important as reducing prices at the pump is ethanol's role in reducing oil and gasoline imports. According to the outlook of Valero, the nation's largest oil refiner, the "company foresees ethanol growth 'offsetting gasoline imports to the U.S.'"

The entire *Reuters* article, written by Timothy Gardner and Rebekah Kebede, can be viewed at <http://www.reuters.com/article/reutersEdge/idUSN1349602720080214?sp=true>.

Currently, 141 ethanol biorefineries nationwide have a capacity to produce 8 billion gallons annually. Additionally, 66 biorefineries are under construction or expanding that will add 5.4 billion gallons of new production capacity.

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For more than 25 years, the Renewable Fuels Association has served as the “Voice of the U.S. Ethanol Industry.” The RFA is the national trade association for the U.S. ethanol industry representing ethanol producers, marketers, and service providers. More information can be found at www.ethanolRFA.org