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No to Importing More Gasoline, Yes to Increasing the Ethanol Content

Moving to E15 would Save Motorists 18 Cents per Gallon

Sioux Falls, SD (September 26, 2008) – With the energy department stating today that 5 percent of the nation’s refining capacity is still shut down due to Hurricanes Gustav and Ike, the American Coalition for Ethanol reminds leaders that there is an alternative to waiting for more gasoline imports – increasing the ethanol content per gallon of gas.

“Ethanol production continues to increase while the rest of the fuel industry struggles to find enough supply. Instead of waiting for other countries to ship us gasoline, why not look right here at home for a solution?” said Brian Jennings, Executive Vice President of ACE. “The government should temporarily allow the ethanol content in gasoline for standard vehicles to be raised from 10 percent to 15 percent, which will help refiners and consumers out of this tough spot.”

The national average cost for a gallon of ethanol is a full dollar less than for gasoline, so blending ethanol into gasoline – if the savings are passed on – should save consumers money at the pump. At a 10 percent blend, motorists would save 12 cents per gallon. At E15, it would be 18 cents, and at E20 the savings would be nearly a quarter per gallon. Increasing the ethanol content per gallon would also apply downward pressure to gas prices, as refiners would have more time to get their facilities back up and running.

“Brazil has used 20 to 25 percent ethanol in all vehicles for years now, and there is no evidence that a short-term increase beyond E10 here will cause any harm. Instead of waiting for more foreign imports to save the day, regulators should look at the option of temporarily increasing the base ethanol blend to 15 percent to ease supply and price concerns,” Jennings said.

Why E15 would help:

- Most importantly, ethanol costs significantly less than gas, so using more of it will help bring down the price of fuel to Americans who are reeling from an economy on the ropes.
- E15 is substantially comparable to the E10 base blend that’s already approved by the EPA and by the automakers for use in all vehicles on the road today.
- E15 would work seamlessly in the existing retail infrastructure; in fact, many gas pumps are likely already approved by Underwriters Laboratories to dispense E15.
- While refinery capabilities are stretched to the max today, U.S. ethanol biorefineries are capable of increasing output to satisfy the demand for more ethanol.
- Motorists wouldn’t be forced to use E15, but it would give some the choice to select a product that is less expensive than gasoline today. Consumers who prefer to use gasoline would still have the option.

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The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national advocacy association for the ethanol industry with nearly 1,600 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit www.ethanol.org or call (605) 334-3381.