

# Ethanol Helps Lower Gasoline Prices



Oil prices are hurtling past **\$135** per barrel

Americans are paying more than **\$4** per gallon of gasoline.

According to the U.S. Department of Energy:

- The typical household is saving **\$150 to \$300** per year on gasoline because of ethanol.
- The United States is saving gas expenditures of **\$28 billion to \$49 billion**.

## Experts agree: Ethanol is making a difference.

### Ethanol saves Americans money.

According to a 2008 Iowa State University report, the growth in U.S. ethanol production has caused retail gasoline prices to be **\$0.29 to \$0.40** per gallon lower than would otherwise have been the case. Additionally, even the American Petroleum Institute admits that ethanol was responsible for meeting the increase in gasoline demand in 2006. According to the Department of Energy, because ethanol has kept a lid on gasoline prices, the average American household is saving as much as **\$300** a year.

### Ethanol cuts expensive oil imports.

The increased use of ethanol in the U.S., which today represents 7% of the total U.S. gasoline supply, will help reduce petroleum consumption — meaning imports — by **440,000** barrels per day in 2008, according to the Energy Information Agency. Plus, America is less dependent on imported oil. As a result of the production of ethanol, the U.S. saved **\$16.5 billion** from being sent to foreign countries for oil in 2007.

### Ethanol reduces gasoline consumption.

According to the Department of Energy, expanded ethanol use for the U.S. overall “saves gas expenditures of **\$28 billion to \$49 billion** based on annual gasoline consumption of roughly 140 billion gallons.”

“It is clear... that biofuels are already moderating gasoline prices. That impact is likely to grow substantially as more biofuels come to market.”

- Samuel W. Bodman and  
Edward T. Schafer,  
Secretary of Agriculture  
and Secretary of Energy

“Bill Day, a spokesman for Valero Energy Corp., the largest U.S. oil refiner, said his company foresees ethanol growth ‘offsetting gasoline imports to the U.S.’”

- “Ethanol boom may stifle gasoline demand,” Timothy Gardner and Rebekah Kebede, *Reuters*, February 14, 2008.

By keeping oil prices lower than they otherwise would be, biofuel production is helping American families save money.