

ETHANOL AND GAS PRICES: A brief lesson in fact vs. fiction.

When gas prices go up, a handful of people always blame ethanol – usually at the urging of big oil companies looking to pad their profit margins. **Knowing what is oil “fiction” and what is ethanol “fact” is key.**

FICTION

Ethanol is to blame for higher gas prices.

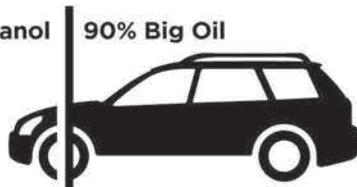
FACT

Ethanol lowers the price of gas.

- Wholesale ethanol is currently trading 70 cents per gallon below gasoline, *without any government subsidy*.
- Ethanol provides the lowest-cost option for raising octane levels in gasoline. Replacement octane is \$1 - \$2 higher per gallon.
- Ethanol lowers the price of gasoline by more than 25 cents per gallon, an annual savings of \$8 billion.
- If ethanol is removed from America’s fuel supply, gas prices will actually increase significantly.

10% Ethanol | 90% Big Oil

Ethanol is the only fuel in history to threaten big oil’s monopoly on your gas tank. The real mandate is that drivers are required to use 90% oil.



The oil industry has erected hurdle after hurdle to E10, E15 and higher ethanol blends, and continues the fight to eliminate the Renewable Fuel Standard. That only results in maintaining high gas prices for the consumer and record profits for the oil industry.

The simple fact is that ethanol keeps gas prices down. Perhaps not coincidentally, big oil companies are enjoying record profits.

Moving forward, the answer to lower gas prices is more ethanol, not less.



FICTION

RIN prices are significantly increasing the cost of gas.

FACT

RINs have little impact on the actual price of gas.

- RINs are a credit tracking system for motor fuel blenders, or big oil. The cost of these credits is a very small piece of the overall fuel supply.
- This run-up in credit value only lessens the overall profit that blending puts in the pockets of oil companies. The increased price of these credits is avoidable if oil companies would simply accept higher ethanol blend rates already approved.
- Oil refiners currently enjoy at least 75 cents per gallon profit on every barrel of oil used to make gasoline. They want to confuse consumers into believing ethanol is somehow to blame for higher gas prices in order to protect tens of billions of dollars in profits.