

Alternative Fuel: ethanol

Stakeholder: Oil representative

My name is Rex W. Tillerson and I am the Chairman and Chief Executive Officer of Exxon Corporation. The American Coalition for Ethanol promises that ethanol will reduce our dependence on fossil fuel. However, data indicate that this will probably NOT happen in our lifetimes. In 2004, the U.S. consumed 100 “quads” (quadrillion BTUs) of energy. Of that, 86 quads, or 86%, were from fossil fuels. And of that, 40 quads were produced from petroleum. About 18 of those petroleum quads were from gasoline. If we continue to use gasoline at no more than the 2004 rate — a fair assumption if prices stay high — the use of ethanol will stretch those 18 quads of gasoline by about 0.6 quad by the year 2012. Thus, ethanol will save only about 0.7% of the gasoline we use as a result of the new regulations requiring gasoline to have 5% ethanol. And what the Coalition won’t tell you is that fossil fuels are used in the production of ethanol. In fact, some studies have concluded that making ethanol from agricultural crops requires more energy than is contained in the finished product. Ethanol would replace less than two-tenths of one percent of what we currently use in gasoline. I think replacing petroleum with ethanol is a waste of time and effort for fuel providers and car manufacturers.