

VALERO NEWS

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VALERO WON'T SEEK TO GET INTO ETHANOL PRODUCTION

Valero CEO Bill Klesse just squelched reports that it might enter the ethanol business.

"I don't see us running up to Iowa and building a corn-based ethanol plant at this time," Klesse said when queried about possible plans to enter the renewable fuels business.

Klesse said Valero probably would not consider getting into the ethanol business unless it had a particular technological or competitive advantage. "It does not appear to be something that our stockholders would want us to do," he said.

Valero executives during a conference call last week noted that demand for ethanol into the reformulated gasoline pool is around 300,000 b/d. Any incremental ethanol production of significance will have to be marketed into the conventional gasoline pool, they said.

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