

Immediate Release

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ETHANOL & BIODIESEL ADD \$2 BILLION TO CANADIAN ECONOMY ANNUALLY

First Ever Economic Assessment of Canadian Renewable Fuel Plants Released

OTTAWA - The Canadian Renewable Fuels Association today released the first-ever comprehensive third party economic impact assessment of renewable fuels investments in Canada. The assessment conducted by econometric firm Doyletech Corporation, concluded that, "the grand total of the annual positive economic impact of renewable fuels is \$2.013 billion."

The report studied 28 ethanol and biodiesel plants across Canada and added that there were major benefits from renewable fuels in "rural re-vitalization, increased oil exports from western Canada, industrial development, and valuable options for re-balancing fuel "mix"."

The economic impact of the construction phase of renewable fuels plant was assessed to include:

- A total direct investment of **\$2.326 billion**.
- The total net economic activity of **\$2.949 billion**, including \$100.2 million to municipal governments, \$492.1 million to provincial governments, and \$679.9 million to the federal government.
- And the creation of **14,177** direct and indirect jobs during the respective construction periods.

The economic impact of operating the 28 Canadian renewable fuels plants was assessed to include:

- The production of a total of 2.25 billion litres of renewable fuels annually.
- A net annual economic benefit of **\$1.473 billion** to the Canadian economy across Canada, including \$14.1 million to municipal governments, \$108.8 million to provincial governments, and \$111.8 million to the federal government.
- The creation of a net **1,038** direct and indirect jobs annually.
- An estimated annual benefit of **\$540 million** in additional oil exports that are possible because of western Canada biofuels production (using value of CDN \$80/barrel).
- The grand total of the annual positive economic impact of renewable fuels is accordingly **\$2.013 billion**.

"Even making allowance for the opportunity costs of alternate investments, and the opportunity costs of alternate feedstock sales, renewable fuels plants in Canada represent a positive net economic benefit," the report concludes.

"This is the first report of its kind to study the economic impact of Canadian renewable fuel plants, and the results are undisputable, ethanol and biodiesel in Canada are driving growth," added Gordon Quaiattini, President of the Canadian Renewable Fuels Association. "It's overwhelmingly clear that Canada's new renewable fuel standard is delivering on its promise of jobs, investment and growth."

Doyletech was contracted by CRFA to employ its EconWin econometric model to develop total impact assessments for each of the 28 renewable fuels plants in Canada that are commercially operating or under construction in 2010. The model was run for both the Construction and Operating Phases for each plant and the results were in turn aggregated into the total economic impact of renewable fuels across Canada. All benefits are calculated as being net gains and should be interpreted as representing incremental benefits to the Canadian economy above and beyond what would have happened anyway if the industry had not come into being.

A copy of the "Total Economic Impact Assessment of Biofuels Plants in Canada" can be found at www.greenfuels.org.

Founded in 1984, the Canadian Renewable Fuels Association (CRFA) is a non-profit organization with a mission to promote the use of renewable fuels for transportation through consumer awareness and government liaison activities.

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