

## Consumers Enjoy Decline In Gasoline Prices

The oversupply of crude oil and gasoline in the U.S. has created a happy motoring atmosphere from coast-to-coast.

The national average for gasoline prices was \$2.185 per gallon on July 25, which is \$0.563 (25 percent) less than the same period in 2015, according to the Energy Information Administration. Meanwhile, crude oil prices have fallen about 12 percent from \$50 per barrel a year ago to about \$44 today on the NYMEX.

Even diesel prices have dropped \$0.344 per gallon to \$2.379 per gallon nationally.

The drop in gasoline and crude oil prices can be traced to an oversupply of both products. The oversupply of crude in world markets turned into a product glut this summer, with refiners producing more gasoline and diesel than is needed, even with near-record high demand.

There's simply too much gasoline and too much oil.

Gasoline inventories are near record high levels this year. Rarely have gasoline inventories closed above 240 million barrels before 2016. However, inventories have surpassed 240 million barrels in 18 of the 27 weeks so far in 2016.

Domestic refineries are producing at peak levels.

The West Coast had the largest decrease in gasoline prices at \$0.875 per gallon, down from \$3.545 last year, to \$2.670 July 25. The smallest increase came along the Gulf Coast, where most refineries are located. Gasoline prices along the Gulf averaged \$1.980 this week compared to \$2.439 a year ago.

Similarly, California was the state with the largest price decrease (\$1.02), and Texas had the smallest price decrease (\$0.469).

Diesel prices declined an average of \$0.344 across the U.S. Again, the West Coast had the highest prices at \$2.663, and the Gulf Coast had the cheapest at \$2.242.



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