



Growth Energy™
Expanding America's Bioeconomy

March 4, 2024

Honorable D. Scott Dibble
Chair
Transportation Committee
Minnesota State Senate
3107 Minnesota Senate Building
St. Paul, MN 55155

Honorable John R. Jasinski
Ranking Member
Transportation Committee
Minnesota State Senate
2227 Minnesota Senate Building
St. Paul, MN 55155

RE: SF 2584 – Clean Transportation Standard Act establishment and appropriation

Dear Chair Dibble and Ranking Member Jasinski:

Thank you for the opportunity to provide written testimony on SF 2584, which would establish a clean fuel standard for the state of Minnesota. Growth Energy is the world's largest association of biofuel producers representing 97 U.S. plants that produce more than nine billion gallons of cleaner-burning, renewable fuel annually; 117 businesses associated with the production process; and tens of thousands of biofuel supporters across the country. Minnesota is home to 19 bioethanol production plants, with a collective annual capacity of more than 1.4 billion gallons from 500 million bushels of corn. Our ultimate objective is to work together to bring better and more affordable choices at the fuel pump, improve air quality, and protect the environment for future generations.

Growth Energy strongly advocates for the role low-carbon biofuels and higher biofuel blends can play in Minnesota's efforts to reduce the carbon intensity of transportation fuels used in the state. A primary solution for decarbonizing the liquid transportation fuel supply is the promotion of additional use of bioethanol. Bioethanol has a proven history of contributing to greenhouse gas (GHG) reductions in an existing low carbon fuel standard (LCFS): according to the Transportation Energy Institute, bioethanol is responsible for 31 percent of GHG reductions in California's Low Carbon Fuel Standard (LCFS), the largest percentage among fuel sources.¹

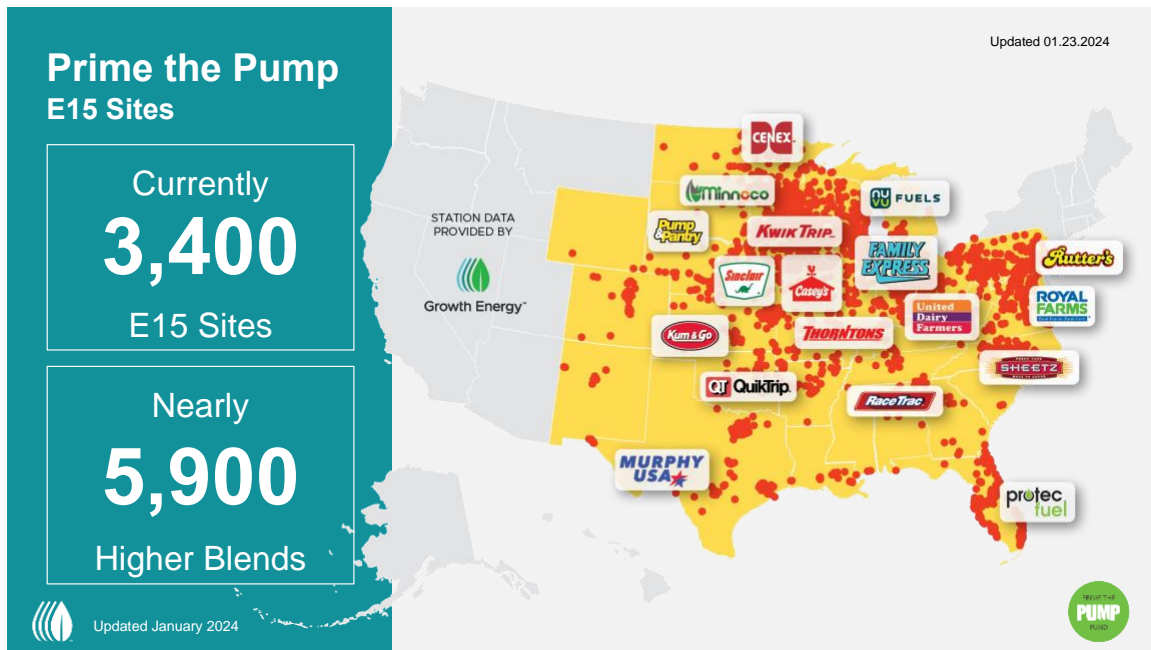
According to recent data from Environmental Health and Engineering, today's bioethanol reduces GHGs by nearly 50 percent compared to gasoline and can provide even further GHG reductions with additional readily available technologies.²

Today, nearly all gasoline in Minnesota – and across the United States – is blended with 10 percent ethanol. E15, a blend consisting of 15 percent bioethanol, has been approved for use by

¹ https://www.transportationenergy.org/wp-content/uploads/2023/07/Decarbonizing-Combustion-Vehicles_FINAL.pdf

² <https://iopscience.iop.org/article/10.1088/1748-9326/abde08/pdf>

the U.S. Environmental Protection Agency (EPA) in all passenger vehicles model year 2001 and newer. This accounts for more than 96 percent of the vehicles on the road today, and is now sold at more than 3,400 locations in 31 states. Minnesota currently has 460 fuel retail sites offering E15.³



Last summer E15 was sold at a nationwide average of 15 cents less per gallon where available and in some Minnesota locations, we saw E15 selling for as much as 33 cents less per gallon than regular gasoline – that is meaningful consumer cost-savings.⁴ Minnesota is already on its way to embracing the environmental and economic benefits of E15. In 2021, Minnesota had the highest bioethanol blend rate, 12.6 percent, in the country.⁵

Beyond its capacity to deliver GHG reductions, E15 provides significant improvements in air quality. Research conducted by the University of California, Riverside found that the use of more bioethanol and bioethanol-blended fuel reduces emissions including harmful particulates and air toxics such as carbon monoxide and benzene.⁶ This study illustrates the vital role that higher ethanol blends play in protecting our air, our climate, and our health.

³ <https://getbiofuel.com/fuelfinder/>

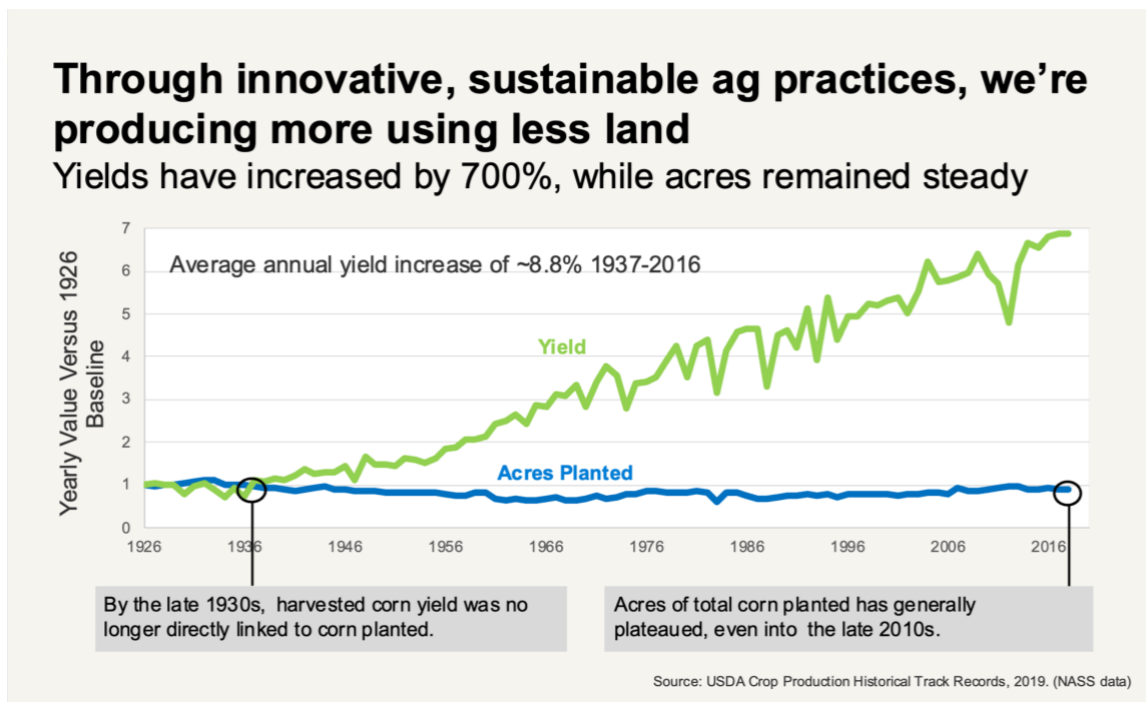
⁴ <https://growthenergy.org/2023/09/19/summer-savings-with-e15/>

⁵ <https://www.dtnpf.com/agriculture/web/ag/news/business-inputs/article/2023/01/26/dtn-ranks-50-states-ethanol-blending>

⁶ University of California Riverside: [Comparison of Exhaust Emissions Between E10 CaRFG and Splash Blended E15 | California Air Resources Board](#) and <https://fixourfuel.com/wp-content/uploads/2018/04/UC-Riverside-Study.pdf>

Given Minnesota’s status as a leader in bioethanol production and utilization, we would like to take this opportunity to raise several concerns with SF 2584. Notably, the Argonne National Laboratory’s Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model uses the most up to date data and science to calculate fuels’ lifecycle GHG emissions. Modifying GREET for a clean transportation standard in Minnesota risks ignoring important GHG reductions among various fuel pathways. This could result in a clean transportation standard that contradicts the legislation’s stated commitment to fuel and feedstock neutrality.

Additionally, among SF 2584’s text is an unfair land use change (LUC) penalty for crop-based biofuels, namely that the standard “include a non-zero emissions factor reflecting indirect land use change for cropland-derived fuels, not less than the emissions factor derived from the Argonne GREET model.” We believe concerns about the use of crop-based biofuels and their impact on land use are misplaced and unfounded. These fears have been largely based on outdated and flawed data. A review of more recent science over the last five years indicates a decreasing trend in land use values, with the newer data indicating LUC values closer to 4 gCO₂e/MJ, far less than the outdated and erroneously inflated LUC value used in other states’ standards. Minnesota’s modeling and LUC value should reflect the latest science that better addresses innovation and increasing yields in agriculture.⁷



We applaud the Minnesota Legislature for their efforts and consideration of methods to reduce GHG emissions in the state. SF 2584 contains provisions that will aid the Transportation

⁷ Footnote #2

Commissioner in implementing a fuel-neutral standard that, among other requirements, “creates broad rural and urban economic development.” Given Minnesota’s leadership in agriculture and biofuel production, if implemented properly, we believe this program could provide significant benefits for in-state bioethanol production. Yet we remain concerned about the lack of precision regarding the clean transportation standard’s implementation. Stakeholders representing a broad array of transportation-related and environmental groups convened over several months in 2023 for the Clean Transportation Standard Working Group. The group’s final report demonstrated the complexities surrounding the implementation of a clean transportation standard. We believe the committee should consider the realities of this complexity and the diverse interests of the advisory committee prescribed in SF 2584. We recommend a stronger commitment to ensure a truly technology-neutral standard as well as stakeholder engagement in the promulgation and implementation of the state’s clean transportation standard.

The consideration of biofuels, particularly bioethanol, is a crucial component to a clean fuel standard, one that can have an immediate impact on carbon emissions reductions as future decarbonization technologies are developed. We hope the committee recognizes the role bioethanol can play in reducing GHGs, providing a more cost-effective option for consumers, and helping Minnesota meet its ambitious decarbonization goals. We look forward to further engagement with the committee and are available to answer any technical questions that may arise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley". The signature is stylized and cursive.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy