HOUSE RESEARCH =

Bill Summary =

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Section

1 [239.765] Definitions.

Subd. 3. Carbon intensity. "Carbon intensity" means the quantity of carbon dioxide emissions per Btu of transportation fuel sold in Minnesota, measured on a life-cycle basis.

Subd. 5. Indirect carbon inputs. "Indirect carbon inputs" means an additional value added to carbon intensity to reflect increased greenhouse gas emissions resulting from general market forces.

Subd. 8. Responsible party. "Responsible party" means a person who refines, blends, produces, or imports transportation fuel for sale in Minnesota.

2 [239.766] Low-carbon transportation fuel reduction standard.

Subd. 1. Reduction standard. Requires responsible parties to reduce the carbon intensity of their transportation fuels one percent annually between 2011 and 2020. An alternative compliance schedule may be requested from the commissioner, who shall issue it, if it is found to be in the public interest.

Subd. 2. Delayed compliance with reduction standard. Allows a responsible party to petition the commissioner to delay compliance with the reduction standard established in subdivision 1. A delay can be granted if the standard:

- is not achievable because the federal government has not granted a waiver for E-20 gasoline;
- will cause a price rise exceeding 5 cents per gallon; or
- is not achievable because of inadequate supplies of lower carbon intensity fuels.

Subd. 3. Carbon intensity values. Establishes carbon intensity values for six

- transportation fuels to be used to determine compliance with the reduction standard, raging from 1.00 for gasoline to 0.12 for cellulosic ethanol. The 2005 fuel mix is to be used as a baseline against which to measure carbon intensity reductions.
- **Subd. 4. Alternative carbon intensity value.** Authorizes the commissioner to approve a carbon intensity value different from those in subdivision 3 if a responsible party demonstrates by a preponderance of scientific evidence that those value are inappropriate for the responsible party. This requirement is deemed to be met if the alternative value is calculated by use of a specific model developed by the Argonne National Laboratory.
- **Subd. 5. Modifying carbon intensity values.** Specifies how the commissioner can, after June 30, 2011, propose to the legislature changes in carbon intensity values, after consulting scientific and academic experts and determining that reliable estimates of indirect carbon inputs can be developed.
- **Subd. 6. Reporting.** Requires responsible parties to report to the commissioner annually, beginning in 2011, on activities it has taken or plans to take to comply with the reduction standard.
- **Subd. 7. Compliance; penalty.** Authorizes the commissioner, beginning in 2014, to order a responsible party to comply with the reduction standard, and specifies that fines may be imposed equal to the cost of achieving compliance.
- **Subd. 8. Rules.** Requires the commissioner to adopt rules to implement this section by December 10, 2010.