



March 10, 2010

Bill Hilty, Chair
House Energy Finance and Policy Division Committee
559 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Chairman Hilty:

I am writing on behalf of nearly 6,000 members of the Minnesota Corn Growers Association (MCGA) to express my support for continued investment in Minnesota's renewable fuels infrastructure. As the Energy Finance and Policy Division Committee consideration of the budget for fiscal years (FY) 2010/2011 and FY 2012/2013, we request that proposed cuts to "E85 Grants" and "E85 Grants Cancellation" programs be reduced as they represent a disproportionate share of cuts.

Ethanol is the Minnesota corn farmers' seconded largest customer and an incubator of rural economies across the state, employing about 70,000 residents and adding approximately \$12 billion to the state's gross domestic product annually.

Proposed budget savings from E85 and intermediate ethanol blend grant programs would eliminate future ethanol blender pump investments, break some existing contracts, and severely limit future renewable fuels infrastructure investments. According to the American Lung Association in Minnesota which administers this program, Minnesota leads the nation in E85 and blender pump installations and demand for these dollars remains strong with infrastructure investments in 2010 projected to be 46 percent greater than in 2009.

These cuts jeopardize Minnesota's reputation as the leader in ethanol and renewable fuels infrastructure, as surrounding states – South Dakota, North Dakota, Illinois, and Iowa – are investing and committing to this industry for the same reasons that Minnesota has lead development and implementation. Deleting the Minnesota E85/blender pump program will send a very disappointing message to the rest of the nation just as other states are beginning to follow Minnesota's lead.

Please know that while we appreciate the budget constraints facing the Legislature, we strongly disagree with targeting reductions to programs that provide proven and substantial benefits to the state's economy. Thank you for your time and consideration of this request. I am happy to provide more information upon request.

Sincerely,

A handwritten signature in black ink that reads "DeVonna Zeug". The signature is written in a cursive, flowing style.

DeVonna Zeug, President
Minnesota Corn Growers Association
16640 220th Street
Walnut Grove, MN 56180