



## **HF 354: HELP GET MORE ETHANOL IN VEHICLES TODAY**

### **BROAD STAKEHOLDER SUPPORT TO FUND BIOFUEL INFRASTRUCTURE**

- Governor’s Council on Biofuels recommended a “state funding package with a dedicated funding source” to provide financial assistance for biofuel infrastructure, particularly for independent retailers and small chains.
- MnDOT’s Pathways to Decarbonizing Transportation in Minnesota report recommended expanding biofuel infrastructure through “financial and technical assistance” to offer “ethanol blends higher than 10%.”

### **WHY INFRASTRUCTURE FUNDING IS NEEDED**

- Just over 10% of fuel retailers offer E15 despite the goals set in Minn. Stat. § 239.7911 to replace petroleum with biofuels.
  - Minnesota’s statutory goal for 2020 was to have at least 25% of gasoline sold or offered for sale comprised of biofuel.
- \$17 million in financial assistance to smaller fuel retailers would increase market penetration of E15 availability to approximately 15%.
  - 20% market penetration is likely the inflection point that would trigger other fuel retailers to offer E15 and higher blends.
- HF 354 helps those retailers who are unlikely to have enough access to capital to make infrastructure upgrades without financial assistance.
  - DE Amendment provides more cost-sharing to the smallest fuel retailers, many of whom have expressed a strong interest in upgrading to E15 or higher blends.

### **ETHANOL IS A HOMEGROWN FUEL**

- In 2019, Minnesota’s ethanol industry contributed \$2.31 billion to the state’s economy.
- In 2020, the coronavirus drastically affected the ethanol industry—ethanol’s contribution to Minnesota’s GDP was reduced to just under \$1.5 billion.

### **THE HIGHER THE ETHANOL BLEND, THE BIGGER REDUCTION IN CARBON EMISSIONS**

- Multiple studies have concluded that ethanol reduces GHG emissions (<https://mnbiofuels.org/resources/facts-about-ethanol/environment>).
- Minnesota is not on track to meet its GHG emission reduction goals (2021 Biennial GHG Emissions Reduction Report to the Legislature).
  - Minnesota’s transportation sector is the largest source of GHG emissions.