



# BIOECONOMY

COALITION OF MINNESOTA

**April 5, 2022**

Dear Chair Sundin and members of the House Agriculture Finance and Policy Committee,

Thank you for the opportunity to provide written testimony on House File 4366. The Bioeconomy Coalition of Minnesota brings everyone involved in the Bioeconomy together to collaborate and grow the industry along the entire value chain from research and development to production and use. Coalition members include representatives from agriculture, forestry, local government, nongovernmental organizations, and start-ups. The Coalition aims to position Minnesota as a global leader in the Bioeconomy by supporting innovation in biobased industries, add value to Minnesota's resources, and create a sustainable bioeconomy.

The Bioeconomy Coalition of Minnesota appreciates the inclusion of increased funding for Minnesota's Bioincentive Program in this bill. The Bioincentive Program—which was established in 2015 with bipartisan support—is critical to attracting investments in advanced biofuels, renewable chemicals, and biomass thermal energy in the state. However, the program is currently underfunded

The Bioincentive Program is a low-risk investment with high rewards for Minnesota. Because companies participating in the program only receive payment *after* investment and job creation has occurred, the state is not at risk of paying for projects that fail to materialize. To date, every dollar spent by the state on this program has generated \$407.10 for Minnesota's economy and \$8.90 in new tax collections.<sup>1</sup> The program also has significant benefits for the climate: it is limited to "advanced biofuels" that achieve a 50% reduction in greenhouse gas emissions compared to gasoline.

The Bioincentive Program has led to significant investments in Minnesota's biofuel and forestry industries, leading to economic benefits across the state. Fully funding the program would allow the state to fulfill its commitments to existing projects, and to drive further investment into the future.

Thank you for your consideration of this important proposal, and for the opportunity to submit written testimony.

Sincerely,

Brendan Jordan

Vice President, Transportation & Fuels

Great Plains Institute (facilitator of the Bioeconomy Coalition of Minnesota)

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<sup>1</sup> Brigid Tuck, *Economic Contribution of the Biobased Industrial Products Industry in Minnesota: 2019*, University of Minnesota Extension Center for Community Vitality, August 2020, available at <https://conservancy.umn.edu/handle/11299/217094>