

**Subject** Ethanol mandate

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## Overview

This bill would require fuel retailers to increase the ethanol content in most gasoline sold in the state to 15 percent (commonly referred to as “E15”). Under current law, a 10-percent ethanol blend (“E10”) is generally required. The bill would also require fuel retailers to have at least one hose dedicated exclusively to dispensing E10 for use by motorists driving model-year-2000-or-older vehicles. These motorists cannot lawfully use E15 under a waiver issued by the United States Environmental Protection Agency (EPA) pursuant to the federal Clean Air Act, as amended.

Under current law and this bill, gasoline retailers may sell blends containing “conventional biofuel” (i.e., ethanol produced from corn starch) or “advanced biofuel”, a category that includes EPA-approved gasoline substitutes with life-cycle greenhouse gas emissions that are at least 50 percent less than gasoline. Currently, these advanced biofuels are not generally produced on a commercial scale.

The bill would also modify an existing liability waiver for biofuel-blended fuel sellers, prescribe a minimum market share for corn ethanol until 2032, allow a future EPA waiver to increase Minnesota’s biofuel content requirement regardless of whether the waiver applies to older vehicles, and provide that equipment currently dispensing E10 is also authorized to dispense E15 and other EPA-authorized biofuel-gasoline blends.

## Summary

Section	Description
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| 1 | <b>Oxygenated gasoline.</b><br>Modifies the existing biofuel content requirement for gasoline. |
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**Section Description**

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**Subd. 1. Minimum biofuel standard.** Increases the minimum biofuel (i.e., corn ethanol or advanced biofuel) content requirement for most gasoline sold in Minnesota. Extends certain dates that prescribe a decreasing floor for corn ethanol's share of the market.

**Subd. 2a. Federal Clean Air Act waivers; conditions.** Under current state law and this bill, if EPA grants a new waiver that authorizes higher gasoline-ethanol blends (e.g., E20), Minnesota's mandate level would increase accordingly if the waiver satisfies two conditions: (1) it must apply to all vehicles irrespective of model year; and (2) it must include a Reid vapor pressure (volatility) element. This bill would eliminate the first condition. It also would update terminology from "ethanol" to "conventional biofuel" to conform with other provisions in current law and this bill.

**Subd. 2b. Limited liability waiver.** Modifies existing liability protections for those who sell certain EPA-approved ethanol-gasoline blends. As modified, these protections would apply to anyone who sells E15 or other biofuel-blended fuels as required by the state's biofuel mandate.

**Subd. 2c. Fuel dispensing equipment; blends over ten percent biofuel.** Provides that, notwithstanding other state or local law, equipment currently approved to dispense E10 is also authorized to dispense E15 and other fuels sold under subdivision 1.

**Subd. 3. Blending restriction.** Technical, conforming change.

**Subd. 7. Biofuel records; state audit.** Technical, conforming changes.

**Subd. 8. Disclosure.** Deletes obsolete language.

**Subd. 10. Exemption for airport.** No change.

**Subd. 10a. Exemption for resorts, marinas, and houseboat rental companies.** No change.

**Subd. 11. Exemption for motor sports racing.** No change.

**Subd. 12. Exemption for collector vehicle and off-road use.** No change.

**Subd. 13. Exemption for certain riparian landowners.** No change.

**Subd. 14. Exemption for aircraft operator.** No change.

**Subd. 15. Exemption for certain blend pumps.** Technical, conforming change.

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	<b>Subd. 16. Exemption for recreational vehicle manufacturer.</b> No change.
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	<b>Subd. 17. Exemption for vehicles not approved to use more than ten percent biofuel.</b> Requires gas stations to have one pump with a hose and nozzle that is dedicated only to dispensing E10 for use in vehicles that are model-year 2000 or older and not otherwise exempt from the biofuel mandate under subdivisions 10 to 16.
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