

Subject Bioincentives
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Overview

This bill modifies the Bioincentive Program administered by the Minnesota Department of Agriculture (MDA). It would allow certain eligible producers of advanced biofuel, renewable chemical, or biomass thermal energy to apply to MDA for additional payments if a shortfall in program funding prompted MDA to award the producer less than the full payment amount provided in law.

H.F. 804 would also create a new dedicated account for the Bioincentive Program, funded with annual transfers from the General Fund. If money in the account is not sufficient to fully compensate all eligible producers, until September 2024 the bill would appropriate the difference from the state's Renewable Development Account.

Summary

Section	Description
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1	Payment amounts; limits.
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	Authorizes advanced biofuel producers to reapply to MDA for additional funding if MDA previously awarded the producer less than the full statutory payment amount because program funding was insufficient to fully pay all eligible producers.
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	Effective date: Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.
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2	Payment amounts; bonus; limits.
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	Similar to section 1, this section authorizes renewable chemical producers to reapply to MDA for additional funding if MDA previously awarded the producer less than the full statutory payment amount because program funding was insufficient to fully pay all eligible producers.
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Section	Description
	<p>Effective date: Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.</p>
3	<p>Payment amounts; bonus; limits; blending.</p> <p>Similar to sections 1 and 2, this section authorizes biomass thermal producers to reapply to MDA for additional funding if MDA previously awarded the producer less than the full statutory payment amount because program funding was insufficient to fully pay all eligible producers.</p> <p>Effective date: Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.</p>
4	<p>Bioincentive account.</p> <p>Creates a new dedicated account in the Agricultural Fund. Money in the account, regardless of source, would be appropriated to MDA to award payments to eligible producers under the Bioincentive Program.</p>
5	<p>Transfers; appropriation.</p> <p>Transfers money from the General Fund to the new Bioincentive Account in fiscal years 2021, 2022, and 2023. If these transfers are not sufficient to fully pay all eligible producers, the difference would be appropriated from the Renewable Development Account (RDA) in the Special Revenue Fund until September 1, 2024. Under current law, RDA spending must benefit ratepayers in Xcel Energy’s electricity service area or the Prairie Island Indian Community and is limited to projects that stimulate renewable electric energy technology, encourage electric grid modernization, or reduce electricity demand and increase system efficiency and flexibility. The RDA is funded by annual payments from Xcel Energy that are based on the number of dry casks used to store spent fuel at Xcel’s Prairie Island and Monticello nuclear power plants.</p> <p>Effective date: This section would take effect the day following final enactment.</p>



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