

Subject Biofuel  
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## Overview

This bill would increase the ethanol content in most gasoline sold in the state if certain conditions are met. It would also require underground gasoline storage tanks installed in 2023 or later to be compatible with gasoline containing up to 15 percent ethanol.

Under current law, a ten-percent blend of ethanol and gasoline (“E10”) is generally required. The bill would increase this minimum content standard to 15 percent in 2023 for distributors with compatible equipment and 2026 for all distributors if federal waivers allow more than 90 percent of gasoline-powered motor vehicles to run on E15, and state agencies certify that other conditions have been met. The bill allows stations to continue selling E10 to motorists who drive older vehicles and cannot lawfully use E15 under waivers issued by the United States Environmental Protection Agency (EPA) pursuant to the federal Clean Air Act, as amended.

Under current law, gasoline retailers may satisfy the biofuel content requirement by selling gasoline blended with “conventional biofuel” (i.e., ethanol produced from corn starch) or “advanced biofuel,” a category that includes EPA-approved gasoline substitutes with lifecycle greenhouse gas emissions that are at least 50 percent less than gasoline. H.F. 1433 would require conventional biofuel only.

## Summary

| Section | Description   |
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| 1       | <b>Minimum compatibility standard for new equipment.</b><br>Requires underground gasoline storage tank systems installed after December 31, 2022, to meet the compatibility standards in Minnesota Pollution Control Agency (MPCA) rules for gasoline containing up to 15 percent ethanol. Requires the MPCA to |

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|   | consider revising these compatibility standards if a new mid-level blend certification for ethanol or biodiesel is established.  |
| 2 | <p><b>Minimum biofuel standard.</b></p> <p>Modifies the minimum biofuel content requirement. Specifies that most gasoline sold or offered for sale in Minnesota must contain ethanol in a proportion equal to at least the greater of (1) ten percent, or (2) 15 percent by July of 2023 for distributors with compatible equipment and July of 2026 for all fuel distributors. Requires E15 dispensers to be marked according to Department of Commerce rules.</p>  |
| 3 | <p><b>Federal Clean Air Act waivers; conditions.</b></p> <p>Under current law, if EPA grants a new waiver authorizing higher gasoline-ethanol blends (e.g., E20), Minnesota’s content requirement would increase accordingly if the waiver applies to all vehicles irrespective of model year. This section would authorize an increase to E15 by reducing this threshold to 90 percent of gasoline-powered vehicles. Specifies that the E15 content requirement in the prior section would take effect as scheduled only if MDA and other named agencies publish notice in the State Register at least 270 days prior that the following four new, specified conditions have been met:</p> <ul style="list-style-type: none"><li>(1) as ASTM specification or equivalent federal standard exists for E15;</li><li>(2) EPA has approved E15 for sale;</li><li>(3) companies that distribute petroleum products in Minnesota have had adequate time to ensure their equipment is capable of lawfully dispensing and storing E15, considering factors such as the availability of necessary equipment, installers, and service providers; and</li><li>(4) companies that distribute petroleum products in Minnesota and operate up to two distribution locations in Minnesota or elsewhere have been afforded a reasonable opportunity to obtain financial assistance.</li></ul> |
| 4 | <p><b>Limited liability waiver.</b></p> <p>Modifies existing product liability protections for gasoline sellers so that they apply when selling any required gasoline-ethanol blend.</p>   |
| 5 | <p><b>Fuel-dispensing labeling; blends over ten percent biofuel.</b></p> <p>Eliminates an existing provision providing that fuel dispensing equipment authorized to dispense E10 is also authorized to dispense greater biofuel-gasoline blends or advanced biofuel. Requires instead that equipment dispensing E15 be labeled as required under federal regulations.</p>  |

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| 6       | <p><b>Exemption for certain blend pumps.</b></p> <p>Modifies the existing biofuel content exemption for certain blend pumps. Provides that this exemption would apply only while the E10 standard is in effect.</p>  |
| 7       | <p><b>Exemption for vehicles not approved to use more than ten percent biofuel.</b></p> <p>Creates a new exception to the biofuel content standard. Authorizes gas stations to have one pump dispensing E10 for use in vehicles that are model-year 2000 or older and not otherwise exempt from the biofuel content standard. Specifies that such pumps generally must be labeled to alert motorists that the fuel is intended for use only in model-year-2000-and-older passenger vehicles.</p> |
| 8       | <p><b>Persons exempt from higher blending requirement; new fuel storage, handling, and dispensing equipment.</b></p> <p>Creates a second new exception to the biofuel content standard. Authorizes petroleum product distributors who operate no more than two locations in Minnesota or elsewhere to sell E10 from distribution locations that are not equipped to dispense and store higher blends in conformance with federal standards and MPCA rules.</p>                                   |
| 9       | <p><b>Rulemaking.</b></p> <p>Requires the Department of Commerce and the Pollution Control Agency to promulgate the rules required in this act as provided under the Administrative Procedure Act.</p>   |



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