

Subject Ethanol
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Summary

This bill would appropriate \$17 million from the general fund to the Minnesota Department of Agriculture (MDA) for grants to motor fuel wholesalers and retailers to install equipment necessary to store or dispense blends of gasoline and ethanol that contain at least 15 percent ethanol by volume. Grants would be limited to 70 percent of the recipient's installation project costs.

Fuel wholesalers would be eligible to receive grants for up to two Minnesota sites that store, or use tank systems to blend, blends of at least 15 percent ethanol.

Fuel retailers would be eligible to receive grants for up to 15 Minnesota fueling stations to modify or install storage and dispensing equipment for blends of at least 15 percent ethanol.

MDA could use up to \$425,000 of the \$17 million for administration expenses. The \$17 million appropriation would be available until spent and MDA would report to the legislature by February 1 of each fiscal year in which funds are available. MDA would be required to coordinate with stakeholders to establish operational initiatives and grant criteria so that the program will contribute to full attainment of the state's petroleum replacement goals, which call for ethanol to comprise at least 30 percent of total gasoline sales in Minnesota by 2025.