

What is a biofuel?

A biofuel is a transportation fuel derived from plants or other renewable biological resources. The most widely used biofuels are ethanol produced from corn and biodiesel produced from soybean oil and other feedstocks. Researchers and companies are actively developing new biofuels and new feedstocks for ethanol and biodiesel.

Ethanol is a substitute for gasoline; biodiesel is a substitute for diesel fuel. In contrast, gasoline and diesel are referred to as “fossil fuels” because they are derived from nonrenewable petroleum. A biofuel-blended fuel is a fossil fuel mixed with biofuel.

What is a biofuel use mandate?

A biofuel use mandate is a law that requires transportation fuel suppliers and retailers to sell biofuel-blended fuel. As the result of Minnesota’s biofuel mandates, in general all motorists who fuel up in Minnesota purchase biofuel-blended fuel. Regular gasoline and diesel are not typically available at gas stations.

How do the biofuel use mandates work?

Minnesota has two biofuel use mandates—one for gasoline and another for diesel fuel. Both laws require fuel blenders to incorporate a specific amount of biofuel into each gallon of transportation fuel sold in the state, with certain exceptions.

What is the requirement for gasoline?

Prior to July 1, 2013, state law required a 10 percent blend of ethanol in nearly every gallon of gasoline. This blend of 10 percent ethanol and 90 percent gasoline is commonly referred to as “E10.” As the result of a law enacted during the 2013 legislative session, fuel sellers have the option of selling either E10 or gasoline blended with 10 percent biobutanol, cellulosic ethanol, or any other biofuel approved by the U.S. Environmental Protection Agency (EPA) as a gasoline substitute.

By law, the E10 option could change if the EPA authorizes additional ethanol blends. Fuel sellers who choose the ethanol option will be required to sell E15, E20, or any other blend approved by the EPA for use in all light-duty vehicles. However, if the EPA allows the use of new ethanol blends only in certain vehicles, the law’s ethanol option will remain at E10. For example, the EPA has approved E15. However, Minnesota’s ethanol mandate did not increase correspondingly because the EPA authorized E15 use only in model-year 2001 and newer light-duty vehicles.

What is the requirement for diesel?

The biodiesel mandate law requires a 20 percent blend of biodiesel (“B20”) in most diesel fuel sold in Minnesota during the warm-weather period of April 15 through the end of September. October through March, the mandate level reverts to B5 due to concerns about B20’s performance in cold weather. During the spring transition from B5 to B20 each April, the minimum content level is temporarily B10 in order to provide time for fuel sellers to transition their diesel inventory to B20.

The law authorizes the executive branch to suspend the use mandate for a limited period of time if there is not enough biodiesel fuel available or if the wholesale price of biodiesel is so high relative to diesel fuel that the mandate would cause economic hardship for gas stations and other diesel fuel sellers who may lose business to competitors located outside of the state.

What exemptions exist?

The legislature granted exemptions from the use mandates for certain vehicles, equipment, and fuels. The exemptions reflect stakeholder concerns about the suitability of biofuel-blended fuels for their vehicles and other gasoline- or diesel-powered equipment. For a list of exemptions, see the table below.

Biofuel Mandates, Implementation Dates, and Exemptions

	Diesel	Gasoline
Mandate Level	Minimum of 20 percent biodiesel per gallon April 15 through September 30, 5 percent October 1 through March 31, and 10 percent April 1 to April 14	Option of (1) the highest ethanol blend approved by the U.S. EPA for all vehicles, or (2) 10 percent of another EPA-approved biofuel
Initial Implementation	2005*	2003**
Exemptions	Number 1 diesel fuel; Number 2 diesel used by or for nuclear plants, trains, off-road mining and logging equipment, generator manufacturers, Coast Guard boats, and certain boats subject to Coast Guard inspection	Gasoline used by or for aircraft, resorts, marinas, houseboat companies, recreational vehicle manufacturers, riparian landowners, motor sport racing events, collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, and small engines
<p>* The legislature increased the biodiesel mandate level over time, beginning with B2 in 2005, B5 in 2009, B10 in 2014, and B20 in 2018. As required by law, the B10 and B20 levels took effect only after executive branch officials certified that certain statutory conditions had been met.</p> <p>** The legislature required E10 use statewide in 2003. From 1997 to 2003, the law effectively required E7.7 statewide.</p>		

For more information: For mandate compliance information, contact the Minnesota Department of Commerce, Weights and Measures Division, at 651-215-5821. For more detail on the mandates, see the following reports from the Minnesota Department of Agriculture: *Legislative Report on Ethanol – Review of E20* (January 2011) and *Report to the Legislature - Annual Report on Biodiesel* (January 2018). For legislative issues, contact legislative analyst Colbey Sullivan at 651-296-5047.



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