Honorable Frank Hornstein
Chair, House Transportation Finance and Policy
Minnesota State Senate
3107 Minnesota Senate Building
St. Paul, MN 55155

March 29th, 2023

Dear Chair Hornstein, Vice Chair Tabke, Ranking Minority Member Petersburg, and members of the House Transportation Finance and Policy Committee,

We, the undersigned, submit this letter thanking the Walz Administration for including a recommendation for a "Clean Fuel Standard Economic Impact Study and Working Group" in the supplemental budget and urge you to include this recommendation in the Transportation omnibus bill. We appreciate the Administration's continued interest in and support of clean fuel standard legislation, first following the recommendations laid out in the Minnesota Climate Action Framework and the Governor's Council on Biofuels report, second through directing the Minnesota Department of Agriculture and the Minnesota Department of Transportation to engage stakeholders on this topic in 2022, and third and most recently, through including a recommendation to further engage stakeholders to explore clean fuels standard legislation in 2024. Including this recommendation in the Transportation omnibus bill is a crucial next step for the serious consideration of a clean fuels policy in Minnesota.

This policy is supported by the Minnesota Future Fuels Coalition, a broad coalition of stakeholders that has been working together to develop and implement a Minnesota-specific clean fuel standard. The coalition is facilitated by the Great Plains Institute, and members include renewable fuel producers and marketers, electric utilities, environmental nonprofits, auto manufacturers, and agriculture and industry groups.

According to the latest report by the Intergovernmental Panel on Climate Change, the threat of climate change is growing rapidly, and we believe that addressing it will take an all the above approach. A clean fuels standard, a technology-neutral policy, does just that and would significantly reduce greenhouse gas emissions from the highest emitting sector in the state: transportation.

Minnesota has long been a leader with respect to clean fuels innovation and climate legislation as evidenced by the Minnesota legislature passing the 100% clean energy by 2040 legislation. Passing a clean transportation standard would ensure that Minnesota builds on past successes to remain a leader in the Midwest and at the national level. State legislatures in Illinois and New Mexico are considering clean transportation legislation this year, and the Senate Environment and Public Works Committee held a hearing this past February to explore a national clean fuels standard.

A clean fuels standard would incentivize the deployment of cleaner fuels while generating net economic benefits for Minnesotans. An economic modeling analysis found that a clean fuels policy in Minnesota and Iowa would result in economic benefits to households while creating additional labor income, employment, and economic output. Another recent study found that an existing clean fuels policy has not impacted retail prices.

In addition to those outlined above, we believe that a clean fuels policy designed based on recommendations in the white paper "A Clean Fuels Policy for the Midwest" can have many benefits for Minnesota, including:

- Benefits for consumers through market access for clean fuels that are often lower cost than conventional fuels and currently face barriers to entry in the marketplace.
- Equitable access to clean transportation for all Minnesota communities.
- Increased investment in cleaner fuels for all types of vehicles and a more innovative and prosperous clean fuels sector spurring consumer demand for cleaner products.
- A technology- and fuel-neutral, performance-based approach that rewards the cleanest fuels and expands the fuel market without having government pick winners and losers.
- Reductions in air pollution and associated health benefits, particularly in areas that have been disproportionately impacted by transportation pollution.
- Economic incentives and market demand to maximize the resource value of organic waste (including manure, biosolids, and food waste), reducing the climate impacts of organic waste, and supporting counties' efforts to achieve state recycling goals.
- Increased energy independence by relying less on imported resources and more on state resources.
- Reduced greenhouse gas emissions in the two highest-emitting sectors of transportation and electricity, as well as in the agricultural sector.
- The potential to support voluntary farmer-led efforts to invest in and adopt agricultural conservation practices that benefit soil health and water quality and reduce farm-level greenhouse gas emissions.

The organizations listed below represent a varied and growing list of stakeholders committed to reducing emissions from transportation fuels, including automakers, environmental groups, utilities, science-based organizations, renewable fuel producers, technology companies, electric vehicle charging companies, non-profit clean energy organizations, counties, science groupand more.

We have a unique opportunity to act now given political momentum in Minnesota and the Midwest and federal investments in clean fuels which will complement the benefits of state action. We appreciate your consideration of this important issue, and we stand ready to support the design, adoption, and implementation of a clean fuel standard for Minnesota.

Sincerely,

Alliance for Automotive Innovation
American Coalition for Ethanol
Amp Americas
ChargePoint
Christianson, PLLP
Clean Energy
Clean Energy Economy Minnesota
ClearFlame
Coalition for Renewable Natural Gas
Comstock, Inc.
Conservation Minnesota
Delta
Dovetail Partners
Electrification Coalition
Electrify America
Fresh Energy
Gevo

Koda Energy
Minnesota Biofuels Association
Nature Energy
NGVAmerica
Oberon Fuels
Plug In America
Rahr Energy
Partnership on Waste and Energy (Hennepin, Ramsey & Washington counties)
Renewable Fuels Association
Rivian
Tesla
Union of Concerned Scientists
ZEF Energy