

Economic Benefits of Minnesota's Proposed Clean Transportation Standard



Minnesota’s proposed clean transportation standard legislation would result in **\$20.7 billion in cumulative economic output through 2040**, according to an economic impact study conducted by Horizon Climate Group.

The economic impact analysis measures the following economic activities:

- **Direct effects:** Initial changes in the economy caused by an event, investment, or activity. For example, job creation and fuel production facility construction.
- **Indirect effects:** Resulting effects from the supply chain activity generated by the direct effect. For example, suppliers providing construction materials and inputs.
- **Induced effects:** Additional economic activity driven by increased labor income. For example, clean fuel industry employees’ increased spending on goods and services.

Creating clean fuel industry jobs in Minnesota

The clean transportation standard would reduce reliance on imported oil and increase the use of homegrown energy like biofuels and electricity. Over 15 years, it would create **55,000 new jobs** in the clean fuel industry statewide, generating **\$310 million annually in labor income**.

Through annual credit revenue, the program would generate benefits for clean fuel-producing sectors, as shown in the table on the right:

SECTOR	AVERAGE ANNUAL BENEFIT
Electricity producers	\$682 million
Ethanol producers	\$64 million
Biodiesel producers	\$82 million
Renewable diesel producers	\$293 million
Biofuel farmers	\$12 million
Renewable natural gas producers	\$59 million
Jet fuel producers	\$70 million
Hydrogen producers	\$14 million

Benefiting households and businesses

The clean transportation standard would benefit households (gasoline users) and the trucking sector (diesel users) through increased access to low-cost clean fuels. Households would see \$78 million in annual benefits, and the trucking sector would see \$23 million in annual benefits.



79 million in benefits for households.



23 million in benefits for the trucking industry.

About the Study

Horizon Climate Group utilized the IMPLAN model to conduct this study in 2024 on behalf of the Future Fuels Coalition. 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 advocating for a Minnesota CTS.