

Consumer Demand Forecast Bill

HF4377 / SF4554

It's time to align Minnesota's Oil Infrastructure with Real World Need, Not Corporate Greed

Minnesota's oil infrastructure regulations are outdated. As the world shifts away from fossil fuels, Minnesota's statutes should be clarified to keep up. The Consumer Demand Forecast legislative proposal brings clarity to an ambiguous process, centers the public interest, and ensures that our infrastructure decisions are grounded in facts, not corporate assumptions.



HF 4377 (Rep. Jones) / SF 4554 (Sen. Dibble) improves the Certificate of Need requirements for large petroleum pipelines at the Minnesota Public Utilities Commission. It amends Minnesota Statute § 216B to specify that the existing demand forecast requirement must incorporate demand from the “ultimate consumers” of petroleum products.

Large oil pipelines proposed in Minnesota are required to seek a Certificate of Need, proving that

the infrastructure is a public good for which the use of eminent domain (the ability to site the project across private property) is justified.

Oil pipelines are designed to last 30-60 years, so Minnesota law requires that companies show that there will be demand for the product over the next fifteen years.

But demand from who? Oil companies have exploited a lack of clarity in our laws to get approvals based on demand from other oil companies, rather than consumer demand by those of us using the end-products like gasoline. This regulatory gap prioritizes speculative industry expansion over real-world demand. It permits overbuilt systems that carry long-term risks to Minnesota lands, waters, and communities.

HF 4377 / SF 4554 adds specifics about what constitutes an acceptable consumer demand forecast, including projected consumption of gasoline and other petroleum products in Minnesota and neighboring states, anticipated policy and market changes, and regional population and economic growth trends, to ensure Minnesota doesn't take on the economic and environmental risks of oil pipeline infrastructure that is unjustified.

By codifying these requirements, this legislation closes the loophole that has allowed large-scale fossil fuel projects to move forward without evidence of actual public need.

Advocates are proposing a commonsense clarification that puts the focus back on consumers, rather than corporations.

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Why it Matters



Regulatory Clarity

This bill would resolve legal ambiguity and ensure consistency across future applications. A sitting Public Utilities Commissioner in 2018 said the law regarding the demand forecast needed to be clarified, and the Minnesota Court of Appeals issued a review of a crude oil pipeline approval in 2021 that admitted an oil company “did not submit what we could consider a conventional forecast of crude-oil demand,” but that the law was so broadly written that the company could receive a Certificate of Need anyway.



Environmental and Social Impact

Oil pipelines create substantial environmental and social disruption, often across hundreds of miles, and last for decades with the potential to cause catastrophic spills. They may be sited across ecologically sensitive and culturally significant areas, including wetlands and treaty territory. We should ensure a regulatory system in Minnesota that doesn't greenlight major projects based on oil industry speculation, but instead makes infrastructure decisions reflect real-world public needs.

Stagnant and Decreasing Fossil Fuel Use



Oil demand in the upper Midwest has peaked. Demand for gasoline, the main product we derive from oil, peaked before 2005 in Minnesota, Michigan, and Illinois. Global oil demand for the Canadian oil currently transported across Minnesota is expected to be lower in 2035 than it is now. This has led to a conundrum: even as Minnesota's oil demand has decreased, the amount of oil traveling across our state has increased. As the world moves away from oil—and competition between oil companies for the remaining demand escalates—it's important that Minnesota's laws keep up and don't expose our lands and waters to unnecessary risk.

Now is the time to modernize Minnesota's energy planning process so that what gets built reflects what people truly need.



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