

May 8, 2025

Representative Jon Koznick  
Representative Erin Koegel  
Representative Brad Tabke  
Representative Bjorn Olson

Senator Scott Dibble  
Senator Jim Carlson  
Senator John Jasinski  
Senator Ann Johnson Stewart  
Senator Doron Clark

RE: Support for Greenhouse Gas Extension and Funding in House Position of H.F. 2438

Conferees –

In 2023 and 2024, the Legislature enacted legislation requiring certain trunk highway projects that add capacity or interchanges to 1) undergo an evaluation of their impacts on greenhouse gas (GHG) emissions and vehicle miles traveled (VMT) and 2) mitigate those impacts. To figure out how to accomplish both the assessment and mitigation, the legislation also established a Technical Advisory Committee (TAC) administered by MnDOT.

The TAC has done a lot of good work, but there are still many questions it needs to address, such as:

- how to mitigate VMT increases if VMT reductions are not used as a tool for mitigating the GHG emissions;
- how a portfolio of projects is defined and whether mitigation projects outside of MnDOT's statewide transportation improvement program (STIP) can automatically count as offset actions;
- who is responsible for coordinating offsets, especially those that fall outside of the area of local impact or the world of transportation (such as zoning density), and how will they be paid for; and
- whether a credit bank should be created, and if so, figuring out the details and passing authorizing language to create one.

Currently, the assessment and mitigation requirements only apply to projects being amended into Minnesota's STIP. **At this time, MnDOT has identified no projects that will be added and fall under the requirements during the next two years, so no climate offsets would be conducted through 2027.** Since the TAC has much work to do to figure out the portfolio approach, as referenced above, our organizations support the one-year delay in the portfolio implementation from 2027 to 2028 for projects entering the STIP in FY 2032 instead of FY 2031. Under the current timeline, any future projects in the planning phase that would fall under the rules do not have enough guidance on how to mitigate potential GHG and VMT impacts and estimate the cost of mitigation to adequately budget the projects.

An additional year to set-up the portfolio approach will allow MnDOT and its partners to properly plan for Trunk Highway infrastructure projects, ultimately helping the statewide transportation GHG/VMT reduction targets to be met. We are also grateful that an initial funding source for mitigation has been identified since MnDOT estimates "the cost of those offsets could be relatively small (less than \$5m) or quite large (more than \$50m) depending on the nature of the project and the amount of offsets that would be required." Again, we appreciate the additional year to work with the TAC and the Legislature on how to meet statewide transportation GHG/VMT reduction targets to support our climate and an efficient and safe transportation network.

