

March 24, 2026

Dear Members of the House Energy Finance and Policy Committee,

The American Petroleum Institute (API) appreciates this opportunity to share our concerns of House File 4377. API represents all segments of America's oil and natural gas industry. Our approximately 600 members produce, process, and distribute the majority of the nation's energy.

Thank you for the opportunity to share our concerns with HF 4377, which adds additional requirements to the Public Utility Commission certificate of need for pipelines.

Pipelines safely deliver oil, natural gas, and other products to Americans every day, and the industry is committed to its goal of operating with zero incidents. In Minnesota, there are over 5,200 miles of oil pipelines supporting the critical agricultural sector and key modes of transportation in the state. Pipeline operators' proactive prevention, preparedness and response efforts help ensure the safe transportation of energy across the U.S. and help provide consumers with affordable, reliable energy while protecting local communities and the environment.

API respectfully opposes HF 4377 because it would impose unnecessary and unworkable requirements on an already rigorous pipeline permitting process. The bill mandates highly detailed, long-range demand forecasts—covering variables such as electric vehicle adoption, remote work trends, fuel efficiency, and global oil prices. While these factors may be relevant to broader policy discussions, they are inherently uncertain and outside the control of project developers. Requiring applicants to produce and defend speculative projections of this nature creates a significant new compliance burden and invites subjective second-guessing, ultimately discouraging needed infrastructure investment.

We are also concerned that HF 4377 duplicates and complicates existing federal and state review processes without delivering meaningful additional benefits. Pipeline projects already undergo extensive scrutiny, including analyses of market need, environmental impacts, and public interest considerations by the PUC. Before construction begins, pipeline operators conduct a formal, transparent process called an open season to solidify contracts, determine demand for energy products and support a project's viability before proceeding. By layering on additional state-specific modeling requirements and scenario analyses, the bill risks creating redundant and potentially conflicting standards. This



American Petroleum Institute
Midwest Region

Mike Karbo
Regional Director
API
202-682-8304
Karbom@api.org

undermines the predictability and efficiency that are essential to responsible infrastructure development, increasing the potential for delays, higher costs, and protracted litigation—outcomes that do not serve regulators, communities, or energy consumers.

Finally, HF 4377 appears to embed broader energy policy objectives into a permitting framework that has traditionally been focused on ensuring safe, reliable, and efficient delivery of energy resources. By requiring applicants to account for long-term demand reduction scenarios and policy-driven shifts in energy use, the bill effectively transforms infrastructure permitting into a vehicle for debating the pace and scope of the energy transition. API members maintain that pipelines remain critical to meeting current and foreseeable energy needs, supporting economic activity, and maintaining supply chain reliability. Imposing additional barriers to their development risks increasing reliance on less efficient transportation modes, raising costs for consumers, and undermining energy security in the region.

At a time of persistent inflation and geopolitical instability, lawmakers should focus on policies that support America's energy resources, including expanding critical energy infrastructure. Increasing pipeline capacity can help ensure that Minnesotans have access to the affordable and reliable energy that we depend on every day.

Thank you for the opportunity to share industry concerns with HF 4377. API stands ready to work with committee members and provide education on leading industry practices. If you have any questions, please don't hesitate to reach out.

Sincerely,

Mike Karbo
Midwest Region Director
American Petroleum Institute