



**CONSERVATION
MINNESOTA**

March 31, 2023

Chair Hornstein and Members of the Transportation Finance and Policy Committee,

We write today to ask for your support for HF 2887 (Hornstein), the Transportation Omnibus Bill, but also to encourage Chair Hornstein and members to support the inclusion of the Clean Fuel Standard Economic Impact Study and Working Group, moving Minnesota toward meaningful fuel decarbonization legislation.

At Conservation Minnesota, our mission is to protect the people and the places that Minnesotans love. Reducing emissions and fighting climate change are central to this goal; and ensuring that Minnesotans are leading and benefiting in this process is vital. The Transportation Omnibus provides an opportunity to accomplish these goals, and we're pleased to see this committee put forward important climate investments through this legislation: expanding electric vehicle infrastructure, capturing federal climate funding, growing transit options, creating roadside habitats, and more. This is a good bill, and we're pleased to support it.

But, as the committee continues to finalize its omnibus, we strongly encourage members to support the inclusion of the Clean Fuel Standard Economic Impact Study and Working Group, as included in the Governor's recommendations and the current Senate Transportation Omnibus proposal.

Each year, the transportation sector in Minnesota emits the equivalent of roughly 40 million tons of carbon dioxide. Emissions in transportation are generally about 33% higher than any other sector in our state, contributing significantly to our overall climate impact. Of these emissions, the vast majority are derived from commonly used transportation fuels such as gasoline, diesel, and aviation fuel. We know that Minnesota has already taken positive steps toward limiting these greenhouse gas sources through vehicle electrification, but we also understand that additional action is needed to solve the entire problem.

We believe that electric vehicles are the inevitable and accelerating future of transportation, but we also know that certain uses of liquid fuels will remain in use for decades. Although several major manufacturers have committed to ending the production of combustion engine vehicles by 2035, many of these vehicles will likely remain on our roads well past 2050. Additionally, many heavy-duty and aviation vehicles will likely continue to require combustion engines in the long-term. As a result, Minnesota needs policy that can encourage electrification while limiting emissions in existing transportation fuels, leaving no stone unturned.

Introduced this session, the Clean Transportation Standard Act establishes a standard to reduce the aggregate carbon intensity of *all* transportation fuels by 25% by 2030, 75% by 2040, and 100% by 2050. By creating an effective credit market, this policy rewards fuel suppliers for producing low-emissions fuels and provides accountability for unnecessarily high greenhouse gas pollution, incentivizing clean fuels like electricity and advanced biofuels and cutting emissions across the sector. While this bill wasn't ready to pass this session, it started a conversation that must urgently continue.

The proposed Clean Fuel Standard Economic Impact Study and Working Group allows our state to convene around and prioritize the development of effective transportation fuel decarbonization policy, with the goal of moving a bill in 2024. This appropriation only requires a \$250,000 investment but will help put Minnesota on a path toward meaningful emissions reductions and widespread economic benefits by supporting a clean transportation standard.

We respectfully urge your support for HF 2887 and ask you to consider including this vital CTS Study and Working Group.

Sincerely,

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