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Mississippi River and its watershed since 1993.*

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April 8th, 2026

Co-Chair Gomez, Co-Chair Davids, and Members of the Committee,

Thank you for the opportunity to provide input in support of the amendments to the Sustainable Aviation Fuel (SAF) tax credit included in House File 1669.

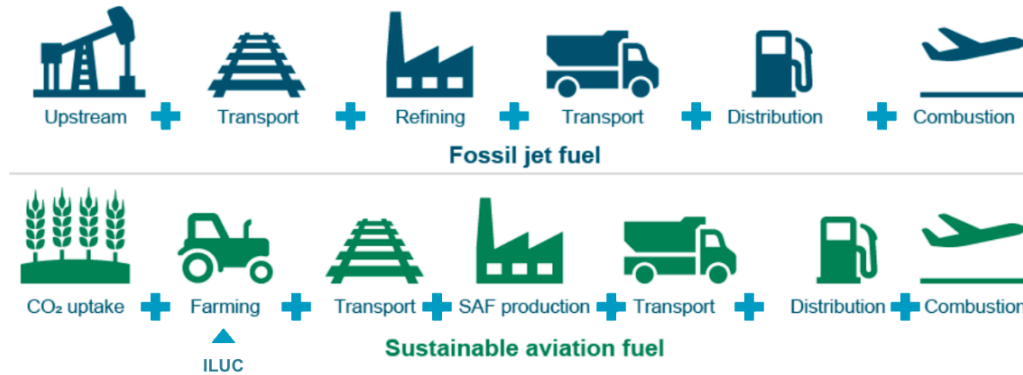
Friends of the Mississippi River recognizes that SAF policy has enormous potential to influence environmental outcomes in Minnesota, including the health of the Mississippi River. For this reason, we advocate for SAF strategies that align with our [guiding principles](#)¹.

What is SAF?

Sustainable aviation fuel is a “drop-in” jet fuel replacement, meaning it can be used in the airplanes we already have. It is safe, proven, effective, and already being used around the world. SAF can be made from a wide variety of input materials, including crops, wood waste, fats and oils, and even green hydrogen and captured carbon. Much like electricity, SAF isn’t one thing; it’s many things. What we make it out of determines its environmental impact.

In order to qualify as sustainable aviation fuel, by law a fuel needs to have at least a 50% reduction in greenhouse gas emissions compared to fossil jet fuel. That is measured using a Carbon Intensity (CI) score. It’s a way of calculating all of the GHG emissions throughout the entire production process — the farming practices used, transportation to and from various sites, emissions from the production and blending facilities, and so on (see the image below). For both fossil jet fuel and SAF, all emissions are added together to come up with a CI score. Fuels with a CI of at least 50% less than traditional jet fuel qualify as SAF.

¹ *Minnesota Sustainable Aviation Fuels Guiding Principles*. Fresh Energy, Friends of the Mississippi River, and The Nature Conservancy, July 2024,
https://fmr.org/files/minnesota_sustainable_aviation_fuels_guiding_principles_-_fe_fmr_tnc_-_012425.pdf



Amendments to House File 1669

HF 1669 as amended includes five important new environmental guardrails:

1. The tax credit value is scaled to the greenhouse gas emissions reductions. This allows lower-emissions fuels to claim a higher credit, rewarding the lowest-carbon SAF options and providing financial benefit for climate-smart agriculture practices that support water quality and soil health.
2. To prevent domestic land use change, SAF made from agricultural feedstocks must be grown on existing farmland. This reduces the risk of forests, grasslands, wetlands, and other natural lands being cultivated for SAF production.
3. The tax credit would require domestic feedstocks only, and SAF made from imported feedstocks would be ineligible. This approach restricts the use of palm oil and other foreign feedstocks that can contribute to international deforestation.
4. SAF produced utilizing carbon capture for enhanced oil recovery projects is ineligible for the tax credit.
5. The bill would expand the definition of SAF to include diverse hydrogen-based solutions. This change would allow planning for next generation SAF technologies made from green hydrogen that can have near-zero emissions.

SAF and Water Quality

There are two primary reasons why HF 1669, as amended, can benefit water quality:

1. The emerging SAF market, if done well, has the potential to expand the market for continuous living cover crops that reduce agricultural runoff and protect water quality, like winter-hardy oilseeds such as winter camelina and pennycress. These are crops that turn into low-carbon SAF, while also improving water quality, soil health, and biodiversity. Because of their strong potential as a SAF feedstock, a growing SAF industry could be what allows these clean water crops to expand across the landscape.

2. The environmental guardrails in this legislation limit land use change and incentivize lower-carbon SAF. Taken together, these guardrails can incentivize more climate-smart agriculture practices on our existing farmland. The climate smart agriculture practices that can reduce greenhouse gas emissions – like reduced tillage, cover crops, and improved nutrient management – are the same practices that improve water quality and soil health, making them essential to reaching our clean water goals. We see this legislation as an opportunity to scale up these important environmental practices statewide.

The SAF tax credit is greatly improved by these proposed amendments and will help Minnesota lead the global race to reduce aviation emissions while protecting our lands and waters. We encourage you to support House File 1669 as amended.

Thank you for your time and consideration of these comments.

Sincerely,

Meghan Anderson

A handwritten signature in black ink, appearing to read 'Meghan Anderson', with a long horizontal flourish extending to the right.

Biofuels Policy Manager
Friends of the Mississippi River



April 7, 2026

Chair Davids and Chair Gomez
Minnesota House Tax Committee

Re: Support of HF1669, Allocation for the Credit for Sustainable Aviation Fuel Increase

Dear Chairs Davids and Gomez and members of the Minnesota House Tax Committee:

The City of Moorhead respectfully requests the Minnesota House Tax Committee's support of HF1669, which expands and extends Minnesota's Sustainable Aviation Fuel (SAF) tax credit. The global, national, and statewide benefits of SAF as a clean energy source are remarkable. Passage of this legislation will bring sustainable economic and environmental benefits to our state and contribute to Minnesota's climate goals.

At a local level, Minnesota's leadership in the emerging SAF industry has the potential to make a monumental and historic economic impact on Moorhead and greater Minnesota.

- **Shovel-Ready Location:** Moorhead boasts the largest shovel-ready industrial site in State of Minnesota and offers convenient interstate, air, and rail connectivity to MSP.
- **Supply:** The agricultural region of west central Minnesota can supply diverse biomass and agricultural waste used for SAF production.
- **Economy:** A \$5 billion SAF facility would deliver 650 jobs and millions of dollars into our agricultural economy annually. The impact on Moorhead's commercial industrial tax base is incredible and a significant value proposition on the Minnesota side of the Moorhead-Fargo regional center.

With this great opportunity on the horizon, we urge the Tax Committee to approve HF1669.

Thank you for your consideration and service.

Respectfully,

Shelly Carlson
Moorhead Mayor

Dan Mahli
Moorhead City Manager

April 8, 2026

Representative Greg Davids
2nd Floor Centennial Office Building
St. Paul, MN 55155

Representative Aisha Gomez
5th Floor Centennial Office Building
St. Paul, MN 55155

Dear Co-Chair Gomez, Co-Chair Davids, and Members of the Committee:

Passage of the Sustainable Aviation Fuel (SAF) Tax Credit during the 2023 legislative session was a historic state investment in a cross-cutting climate solution—one that supports production of cleaner aviation fuels, strengthens Minnesota’s rural economy, creates family-sustaining jobs, and advances decarbonization of the transportation sector. With the Clean Fuel Tax Credit (45Z) for SAF significantly reduced in the federal budget reconciliation bill passed in July 2025, state-level incentives for SAF production are now more critical than ever. The Governor’s Supplemental Budget proposes a SAF Tax Credit funding and policy package that right-sizes the state credit and incorporates new environmental safeguards for eligibility.

A broad and diverse coalition—including environmental, agricultural, and forestry organizations; clean energy and economic development nonprofits; and labor partners—has developed and unanimously supports the SAF Tax Credit policy and funding proposal included in the Governor’s Supplemental Budget and incorporated into HF 1669 via Representative Davids’ author’s amendment. Our coalition has coordinated closely with the Minnesota Department of Agriculture and the Department of Revenue to craft a balanced approach that supports Minnesota’s emerging SAF industry while protecting the environmental integrity of our lands, waters, and natural resources.

New Environmental Safeguards

- Feedstocks must be domestically sourced; imported feedstocks such as used cooking oil or sugarcane ethanol are not eligible.
- Agricultural feedstocks must be grown on land in cultivation prior to 2007. This aligns with the start of the federal Renewable Fuel Standard and ensures the SAF Tax Credit does not incentivize the conversion of Minnesota’s natural lands for feedstock production.
- SAF produced with carbon capture and storage qualifies only if its carbon is permanently stored underground and not used for enhanced oil recovery.

Increased SAF Tax Credit Funding

The increased funding right-sizes the SAF tax credit allocation to match the growing demand for low-carbon aviation fuels in Minnesota. The MN SAF Hub has set an ambitious goal of producing one billion gallons of SAF annually to decarbonize air travel and strengthen the state’s clean-tech economy. This bill provides additional funding for the tax credit at \$5.3 million per year in FY 2027 and FY 2028, and \$2.1 million per year from FY 2029 to FY 2035. These investments preserve

Minnesota's leadership as neighboring states consider their own SAF incentives. Extending the tax credit through FY 2035 provides long-term policy certainty—helping producers reach final investment decisions by providing predictable revenue, reducing regulatory risk, and enabling the stacking of incentives necessary to make SAF projects financially viable over their operational lifespan. While federal credits like 45Z provide a base incentive, state-level policies bridge the cost gap with conventional jet fuel, acting as the deciding factor to move projects from planning to construction.

Encouraging Ultra-Low-Carbon SAF

This bill adds a supplemental tax credit rate for SAF with a lifecycle carbon intensity (CI) reduction greater than 50 percent. By definition, SAF must achieve a minimum 50% reduction in lifecycle CI compared to petroleum jet fuel. The proposed supplemental credit—\$0.02 per gallon for each additional percentage point of CI reduction beyond 50 percent—will accelerate innovation, lower greenhouse gas emissions, and incentivize the production of ultra-low-carbon SAF.

Technical Correction: SAF Feedstock Definition

The bill includes a technical correction to the definition of SAF in Minnesota Statutes 41A.30 to reflect the full diversity of feedstocks used in SAF production. The current definition does not clearly articulate eligibility for clean hydrogen and CO₂-based feedstocks. Updating this definition now is essential to provide regulatory certainty for producers.

The Minnesota SAF Tax Credit funding and policy proposal before you will strengthen the state's competitiveness, provide the certainty that SAF producers and financiers require, reward the production of the lowest-carbon fuels, and protect Minnesota's natural resources. Thank you for your time, service, and thoughtful consideration of funding and policy mechanisms that will spur SAF production in Minnesota.

Sincerely,

Clean Energy Economy Minnesota
Friends of the Mississippi River
Fresh Energy
Gevo
Great Plains Institute
Minnesota AgriGrowth Council
Metropolitan Airports Commission
Minnesota Biofuels Association
Minnesota Building Trades
Minnesota Chamber of Commerce
Minnesota Corn Growers Association

Minnesota Environmental Partnership
Minnesota Farm Bureau
Minnesota Farmers Union
Minnesota Forest Resources Council
Minnesota Forestry Association
Minnesota Pipe Fitters
Minnesota Timber Producers Association
Minnesota Soybean Growers Association
Minnesota Building Trades
State of Minnesota
The Nature Conservancy
Twelve
University of Minnesota



THE CHAMBER
PUBLIC POLICY

Wednesday, April 8, 2026

Co-Chair Davids, Co-Chair Gomez and members of the House Taxes Committee,

My name is Cale Dunwoody, and I have the pleasure of serving as Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce. On behalf of our more than 1,600 members, I respectfully offer testimony in support of H.F. 1669, relating to the sustainable aviation fuel (SAF) tax credit.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities and influence action. H.F. 1669 supports that mission by strengthening Minnesota's competitive position in the sustainable aviation fuel industry and helping drive significant economic development across the state.

Recently, the Moorhead City Council approved an option agreement for the development of a roughly \$5 billion sustainable aviation fuel production facility. This project could bring up to 650 jobs to the region, produce millions of gallons of low-carbon aviation fuel annually and generate substantial long-term economic impact across west-central Minnesota.

This enhanced tax credit, combined with Minnesota's abundant and diverse feedstock, strong electricity infrastructure and mature rail networks, would position Minnesota as a leading producer of sustainable aviation fuel while strengthening the state's competitiveness and helping spur significant private investment.

We respectfully urge the committee to support H.F. 1669.

Thank you for your attention to this matter and for your commitment to Minnesota.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce