



March 28, 2023

Chair Samantha Vang
House Agriculture Finance and Policy Committee
120 State Capitol
Saint Paul, Minnesota 55155

Dear Chair Vang, Ranking Member Anderson and members of the committee:

On behalf of the Minnesota Bio-Fuels Association, I appreciate the opportunity to submit written testimony for H.F. 2278, the committee's omnibus finance bill for Fiscal Years 2024 and 2025.

The Minnesota Bio-Fuels Association supports the following funding provisions in the bill:

- **Biofuel Infrastructure Grants:** The largest barrier to increasing consumer access to higher blends of more affordable and environmentally friendly biofuel is a stable funding source for updating fuel infrastructure. The proposed grant funding of \$3 million per year (lines 9.30 – 10.35) will enable the replacement or upgrade of current petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuel blends of E25 or higher and help the state get closer to its statutory petroleum replacement goal of 30 percent by 2025.
- **Bioincentive Program:** Minnesota ethanol plants have increasingly been making the capital investments necessary to develop and produce next-generation, advanced biofuels made from cellulosic biomass. The proposed funding of \$6.75 million per year (lines 9.12 – 9.29) for the Minnesota Department of Agriculture's Bioincentive program will continue to encourage the commercial-scale production of these types of advanced biofuels, which have been shown to reduce lifecycle greenhouse gas (GHG) emissions by over 70 percent as compared to baseline gasoline. We appreciate the committee's inclusion of \$1 million per year in funding to reduce the current backlog of claims in the program but note that the funding amounts proposed in the bill will not eliminate the backlog of unpaid claims.

We do have concerns with the provision included in the bill that would require Bioincentive program participants to report such information as business structure, board member and executive compensation, and financial audit opinions, among others (lines 58.17 – 59.9). No other program administered by the Minnesota Department of Agriculture requires the disclosure of private business information and we are concerned that such requirements will undermine the purpose of the Bioincentive program – to attract new projects and investment in renewable energy.

Thank you again for the opportunity to provide written testimony. If you or your staff have questions, please contact the Minnesota Bio-Fuels Association's Executive Director Brian Werner at 651-356-4330 or at bwerner@mnbiofuels.org.

Sincerely,

Brian Werner
Executive Director
Minnesota Bio-Fuels Association