

# House Research Act Summary

**CHAPTER:** 52

**SESSION:** 2005 Regular Session

**TOPIC:** Ethanol mandate

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## Overview

This act calls for ethanol to make up 20 percent of the total volume of gasoline consumed in the state by 2013.

### Section

- 1**      **Suspension.** Suspends the existing requirement that all gasoline sold in Minnesota have at least 10 percent ethanol, during the period when the requirement in section 2 is in effect.
- 2**      **Minimum ethanol content required.** Requires the blending of 20 percent ethanol in most gasoline (E20), beginning August 30, 2013. Specifies that a gasoline-ethanol blend is in conformity with this requirement if the ethanol content is not less than 18.4 percent by volume.

Provides that fuel may not be deemed defective by virtue of being formulated to meet this requirement under any theory of liability except negligence of fraud. Excludes liability arising from specified environmental regulations.

Provides that the mandate expires on December 31, 2010, if:

- the Department of Agriculture determines by that date that at least 20 percent of

the volume of gasoline sold in the state is ethanol, or

- federal approval has not been granted for E20.

Provides that U. S. Environmental Protection Agency failure to act on an application is not to be deemed approval of E20 or a waiver under federal law

**3 Petroleum replacement promotion.** Sets a goal of at least 20 percent of liquid fuel sold in Minnesota be derived from renewable sources by December 31, 2015.

Requires the commissioners of agriculture, commerce, and the Pollution Control Agency to identify and implement measures to increase the use of renewable liquid fuels in the state. Requires them to work with renewable fuels industry, petroleum retailers, refiners, automakers, small engine manufacturers, and other interested groups between 2005 and 2015 to develop annual recommendations for administrative and legislative action. Requires the commissioners' activities to include:

- developing incentives for retailers to install equipment for renewable liquid fuels
- obtaining federal approval for E20
- developing recommendations to insure that vehicles and small engine equipment have access to an adequate fuel supply
- working with large corporate auto fleet owners to increase use of renewable fuel
- working to maintain affordable retail price for liquid fuel.

**4 Report on E20.** Requires the commissioner of agriculture, in consultation with commissioner of employment and economic development and the PCA, to review use of E20 in the state. Requires the review to include effects of E20 on development of the ethanol industry in the state and on the state's consumers. Requires reports to legislative committees on January 15, 2009, and January 15, 2011.

**5 Small engine report.** Requires commissioner of commerce, in consultation with the commissioner of agriculture, to:

- solicit information on use of E20 in motorcycles, outboard engines, snowmobiles, lawn and garden products, and other consumer equipment powered by small spark-ignited engines
- inventory and assess availability of non-blended gasoline for exempt uses
- make recommendations for addressing areas where such fuel is not readily available
- develop recommendations for notifying customers on availability of such fuel, and appropriate use of such fuel in small spark-ignited engines in motorcycles, outboard engines, snowmobiles, lawn and garden products
- report by January 15, 2008, to legislative committees on above activities.

