

# HOUSE RESEARCH

## Bill Summary

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**Version:** As Introduced

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**Subject:** Targeted Ethanol Development Program

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### Overview

Fourteen ethanol plants are currently operating in Minnesota. Thirteen of them receive ethanol producer payments. House File 551 would allow additional plants to receive commitments for ethanol producer payments. Preference for eligibility would go to plants located in areas of the state not presently served by a plant and plants that use nonconventional feedstocks including wheat and barley.

### Section

- 1 **Definitions.** Links the definitions used in the current ethanol statute to the language of the "targeted" ethanol development program.
- 2 **Targeted ethanol development program.**
  - Subd. 1. Development goal.** The goal is to spread ethanol production facilities around the state and to efficiently utilize nontraditional feedstocks.
  - Subd. 2. Preapproval by commissioner.** To be eligible for ethanol producer payments a developer must have prior approval from the commissioner of agriculture. The maximum producer payment that can be approved is based on production up to 15,000,000 gallons per year.
  - Subd. 3. Preferences for eligibility.** Preference for eligibility will be given to a plant designed to produce ethanol from wheat or barley and located in an area that minimizes competition for feedstocks and that uses Minnesota-grown feedstocks.
  - Subd. 4. Producer payments.** An approved plant is eligible to draw producer payments for 40 consecutive calendar quarters after beginning production. Claims must be filed quarterly and are to be paid within 30 days.
- 3 **Appropriation; targeted ethanol development producer payments.** A blank appropriation is made from the general fund to the commissioner of agriculture for producer payments under the targeted ethanol development program.

