

Minnesota law requires that most gasoline and diesel fuel sold in the state be blended with a certain percentage of biofuel.

Biofuel

Biofuel is transportation fuel derived from plants or other renewable biological resources. In contrast, gasoline and diesel are referred to as “fossil fuels” because they are derived from nonrenewable petroleum. Biofuels are often mixed with fossil fuels to produce a “biofuel-blended fuel.”

Ethanol is a biofuel substitute for gasoline; biodiesel is a biofuel substitute for diesel fuel. Ethanol is derived from starch or sugars of biomass. In the United States, the most common ethanol is “conventional biofuel,” which is ethanol produced from corn starch. Cellulosic ethanol and other sources of advanced biofuel represent alternative sources of ethanol. Biodiesel is derived from oils and fats of feedstocks (such as soybeans).

Biofuel Use Mandates

A biofuel use mandate is a law that requires transportation fuel suppliers and retailers to sell biofuel-blended fuel at certain minimum biofuel content percentages. As the result of Minnesota’s biofuel mandates, in general all motorists who fuel up in Minnesota purchase biofuel-blended fuel. Regular gasoline and diesel are not typically available at gas stations.

Minnesota has two biofuel use mandates: one for gasoline and one for diesel. Both mandates require fuel blenders to incorporate a specific amount of biofuel into each gallon of transportation fuel sold in the state, with certain exceptions. The Division of Weights and Measures of the Department of Commerce inspects gasoline and diesel and enforces the biofuel use mandates.

Biofuel Use Mandate for Gasoline

The gasoline biofuel use mandate requires that all gasoline sold or offered for sale in Minnesota contain a minimum of either:

- 1) 10 percent of a conventional biofuel or the maximum percentage authorized in a waiver issued by the Environmental Protection Agency (EPA), whichever is greater; or
- 2) 10 percent of a biofuel other than a conventional biofuel that is registered with the EPA or authorized in a waiver by the EPA.¹

Under current EPA authorizations, this effectively requires a 10 percent blend of any EPA-approved biofuel. This blend of 10 percent ethanol and 90 percent gasoline is commonly referred to as “E10.”

By law, the conventional biofuel option could change if the EPA authorizes additional ethanol blends for use in all light-duty vehicles. Fuel sellers who choose the conventional biofuel option will be required to sell E15, E20, or any other blend approved by the EPA for use in all light-duty vehicles. However, if the EPA allows the use of conventional biofuel blends only in certain vehicles, the law’s conventional biofuel option will remain at E10. For example, the EPA has approved E15. However, Minnesota’s conventional

¹ [Minn. Stat. § 239.791](#).

biofuel option in the biofuel use mandate did not increase correspondingly because the EPA authorized E15 use only in model-year 2001 and newer light-duty vehicles.

Biofuel Use Mandate for Diesel

The biodiesel mandate requires a 20 percent blend of biodiesel (“B20”) in diesel fuel sold in Minnesota during the warm-weather period of April 15 through the end of September.² October through March, the mandate level reverts to B5 due to concerns about B20’s performance in cold weather. During the spring transition from B5 to B20 each April, the minimum content level is temporarily B10 in order to provide time for fuel sellers to transition their diesel inventory to B20.

The law authorizes the executive branch to suspend the use mandate for a limited period of time if there is not enough biodiesel fuel available or if the wholesale price of biodiesel is so high relative to diesel fuel that the mandate would cause economic hardship for gas stations and other diesel fuel sellers who may lose business to competitors located outside of the state.

Exemptions

The biofuel use mandates include exemptions for certain vehicles, equipment, and fuels.³ The exemptions reflect stakeholder concerns about the suitability of biofuel-blended fuels for their vehicles and other gasoline- or diesel-powered equipment. The exemptions from the diesel and gasoline biofuel use mandates are outlined in the table below.

Biofuel Use Mandates and Exemptions

	Diesel	Gasoline
Mandate Level	Minimum of 20 percent biodiesel per gallon April 15 through September 30 5 percent October 1 through March 31 10 percent April 1 to April 14	Option of (1) the highest conventional biofuel blend approved by the EPA for all vehicles, or (2) 10 percent of another EPA-approved biofuel
Exemptions	Number 1 diesel fuel; diesel used by or for nuclear plants, trains, off-road mining and logging equipment, generator manufacturers, Coast Guard boats, and certain boats subject to Coast Guard inspection	Gasoline used by or for aircraft, resorts, marinas, houseboat companies, recreational vehicle manufacturers, riparian landowners, motor sport racing events, collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, and small engines



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² [Minn. Stat. § 239.77](#).

³ Instead of a minimum content requirement, some exempted uses have additional octane rating or notice requirements.