

March 11, 2024

Dear Senator,

As environmental, clean energy and science organizations working to establish a clean transportation standard for Minnesota, we are writing to share our support for HF 2602 / SF 2584 as amended by Senator Dibble's A11 amendment.

The Minnesota Clean Transportation Standard will provide cleaner and more affordable transportation options, reduce greenhouse gas emissions, improve water quality and soil health, and support a clean energy transition for Minnesota's highest-emitting sectors: transportation and agriculture.

How a Clean Transportation Standard Works

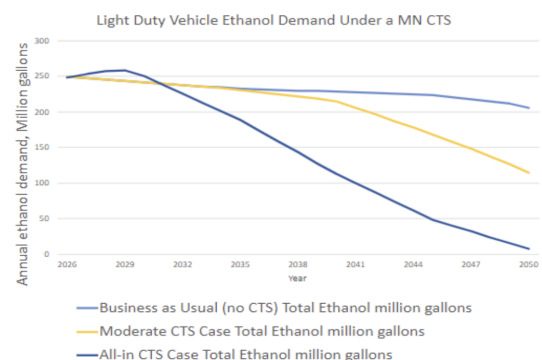
The Clean Transportation Standard (CTS) will reduce the carbon intensity of Minnesota's transportation fuels by at least 25% by 2030 and 75% by 2040 — with a goal of achieving 100% by 2050.

Under a clean transportation standard, fuels with lifecycle carbon emissions below the standard can generate credits, while more carbon-intensive fuels generate deficits that can be offset by purchasing credits. This market-based system rewards low-carbon fuels (including electricity) while directing a portion of utility-generated credit revenues toward electric vehicle (EV) infrastructure and rebates to help accelerate equitable EV adoption across Minnesota.

The Benefits of a Clean Transportation Standard

Independent expert [modeling](#) done for the Minnesota Clean Transportation Working Group provides clear data showing that the Minnesota CTS will:

- 1. Reduce fossil fuel use:** Petroleum demand will shrink significantly by 2050, from a 64% reduction in the “moderate” case to an 86% reduction in the “all-in” case.
- 2. Reduce our dependence on ethanol:** The CTS will result in a decline in the consumption of ethanol in gasoline under every scenario. This is because the CTS leads to accelerated electric vehicle (EV) adoption and shrinking demand for gasoline.
- 3. Fund the EV transition:** The Minnesota CTS could provide between \$134 million and \$268 million for transportation electrification annually by 2030.¹
- 4. Reduce legacy vehicle emissions:** The CTS will lower the carbon intensity of traditional fuel vehicles that aren't going to electrify.



¹ Assumptions: 80% of cars charge at home and a credit price ranging from \$100 - \$200.

The CTS helps all Minnesotans

The CTS is designed to provide the resources necessary to ensure that disadvantaged communities, rural communities and labor are not left behind.

- **Equitable investment** Under the CTS, at least 60% of utility-generated credit revenue from residential EV charging must be spent to support transportation electrification for the primary benefit of rural areas and environmental justice areas.
- **Air quality and public health:** According to research by the Holloway Group at the University of Wisconsin, a CTS could generate up to \$35 million in annual health benefits for Minnesota, particularly in communities disproportionately impacted by transportation pollution.
- **Green jobs for a green economy:** According to modeling by ICF, a Minnesota CTS could contribute over \$197 million to Minnesota's gross domestic product and generate an annual average of 1,500 green jobs and \$95 million in labor income.

Environmental Co-Benefits

The CTS will provide essential environmental co-benefits that advance Minnesota's long-term sustainability goals.

- **Improving water quality, soil health and habitat.** The CTS includes powerful incentives to enhance water quality and soil health by getting regenerative ag practices and innovative Forever Green crops onto millions of cropland acres.
- **Prohibiting enhanced oil recovery:** The CTS bill prohibits ethanol facilities from generating credits from the use of CO2 for enhanced oil recovery (EOR), creating a clear financial disincentive for Minnesota ethanol producers to pursue EOR.

The Minnesota CTS will build upon the historic 2023 session by further reducing fossil fuel use, accelerating vehicle electrification, improving water quality and soil health, and ensuring Minnesota remains a national leader in climate legislation.

Our organizations are committed to working collaboratively with you and all stakeholders in pursuit of a policy that best serves the needs of all Minnesotans.

Sincerely,

Whitney Clark
Executive Director
Friends of the Mississippi River



Margaret Cherne-Hendrick, PhD
Senior Lead, Innovation and Impact
Fresh Energy



Paul Austin
Executive Director
Conservation Minnesota



Jeremy Martin
Senior Scientist and Director of Fuels Policy
The Union of Concerned Scientists

