

Date: May 26, 2020

To: Governor's Council on Biofuels Executive Committee

From: Bob Patton
Energy and Environment Supervisor, Agricultural Marketing and Development Division
bob.patton@state.mn.us, 651-201-6226

RE: Briefing memo for May 26 meeting

The contents of your meeting packet include the following:

1. Agenda
2. Excerpt of House File 4285 (the agriculture policy bill) containing the requirement for a report on biofuels
3. Draft Governor's Council Principles
4. Email from Tim Gross
5. Draft Governor's Council Vision Statement

At this meeting we propose the Executive Committee decide on a process and method of decision-making for the Council, and arrive at the a "big picture" (i.e. vision) of what it will accomplish in its November 1 report to the governor (and the January 21, 2021 report to the Legislature from the MDA that will now be required by the agriculture policy bill, HF 4285, enclosed in the packet).

Regarding decision-making, we are recommending consensus, if possible to achieve, with voting and minority reports as a backup. Obviously, consensus is preferred. We have been advised that consensus can most easily be achieved through a consensus-building process, so that is what we are recommending.

Part of this consensus-building process is gaining agreement on principles, and then using them to evaluate the policy proposals/proposed recommendations. We have drafted a set of principles taken from Executive Order 19-35 for your review and input, included in this packet. After your approval of the draft principles, we will circulate it to the Council for its input and ask for Council approval at the next meeting.

Another part of the decision-making process is for participants to jointly develop a list set of policy options to consider. Ideally, the policy options would be developed by the councilmembers through a facilitated small group process. However, given challenges of conducting small group processes online, we propose that they are developed through a survey of members. We propose a process where:

- Topical areas are determined by the Executive Committee (we will try to do this at the 5/26 meeting)

- Members are asked to propose policies for each topical area (and can suggest new topical areas as well), with guidance on elements the policy should address (we can discuss this in the meeting)
- The Executive Committee organizes and consolidates the responses as needed, and does a preliminary evaluation of the policies, using the adopted principles
- The Council considers the reviewed draft policies at subsequent meetings

The Executive Committee has previously raised the question of subcommittees. We are of the opinion that the Council as a whole can develop, evaluate, and decide upon recommendations in a timely manner without subcommittees, and we are concerned (again because of limitations imposed by COVID -19) about our ability to run multiple subcommittees simultaneously.

One exception is on the issue of infrastructure. Part of your packet is an email from Tim Gross, proposing an infrastructure subcommittee of stakeholders. Given the importance of this question to moving forward with higher blends, and the magnitude of the challenge as described at the April 21 meeting, we feel this proposal deserves consideration.

Finally, we have drafted a proposed vision statement for your review and input, developed directly from the councilmember's response to the January survey. After Council input, we propose it be circulated for review and input by councilmembers and approved at the next council meeting.

Governor's Council on Biofuels – Executive Committee

May 26, 2020 Meeting

12:30 to 2:00 p.m.
Webex Video Conference

Agenda

12:30 p.m.

Welcome and introductions

Commissioner Thom Petersen, Minnesota Department of Agriculture (MDA)

12:35 p.m.

Overview of agenda

Bob Patton, Energy and Environment Supervisor, MDA

12:40 p.m.

Council process and decisionmaking

Discussion led by Bob Patton

Will discuss a proposed process for development and consideration of overall vision/outcome, policy options, and recommendations. Will include discussion of an infrastructure subcommittee (see email from Tim Gross included in packet).

1:15 p.m.

Overall vision/outcome for Governor's Council

Discussion led by Bob Patton

Will review a draft vision statement developed from January survey of Governor's Council members.

1:45 p.m.

Public comment and questions

2:00 p.m.

Adjourn

53.1 The amounts in clauses (3) to (6) are onetime.
53.2 Notwithstanding Minnesota Statutes, section
53.3 16A.28, any unencumbered balance does not
53.4 cancel at the end of the first year and is
53.5 available for the second year and
53.6 appropriations encumbered under contract on
53.7 or before June 30, 2021, for agricultural
53.8 growth, research, and innovation grants are
53.9 available until June 30, 2024.

53.10 The base amount for the agricultural growth,
53.11 research, and innovation program is
53.12 \$14,693,000 in fiscal year 2022 and
53.13 \$14,693,000 in fiscal year 2023, and includes
53.14 funding for incentive payments under
53.15 Minnesota Statutes, sections 41A.16, 41A.17,
53.16 41A.18, and 41A.20.

53.17 The commissioner must consult with the
53.18 commissioner of transportation, the
53.19 commissioner of administration, and local
53.20 units of government to identify at least ten
53.21 parcels of publicly owned land that are suitable
53.22 for urban agriculture.

53.23 **Sec. 35. FARM SAFETY RECOMMENDATIONS.**

53.24 The commissioner of agriculture, in consultation with the Farm Safety Advisory
53.25 Committee, must develop recommendations regarding how best to provide financial and
53.26 technical workplace safety assistance to Minnesota farmers. No later than January 15, 2021,
53.27 the commissioner of agriculture must report to the legislative committees and divisions with
53.28 jurisdiction over agriculture.

53.29 **Sec. 36. BIOFUELS REPORT.**

53.30 The commissioner of agriculture must prepare a report outlining Minnesota's ability to
53.31 meet the petroleum replacement goal in Minnesota Statutes, section 239.7911, and utilize
53.32 biofuels to achieve the greenhouse gas reductions under Minnesota Statutes, chapter 216H.
53.33 No later than January 15, 2021, the commissioner of agriculture must submit the report to

54.1 the chairs and ranking minority members of the legislative committees and divisions with
54.2 jurisdiction over agriculture policy and finance. The report must:

54.3 (1) recommend specific policies that would utilize biofuels to accelerate achievement
54.4 of the petroleum replacement goal and the greenhouse gas reduction goals;

54.5 (2) identify the biofuels infrastructure required to achieve the petroleum replacement
54.6 goal; and

54.7 (3) recommend cost-effective incentives necessary to expedite the use of greater biofuel
54.8 blends in this state, including but not limited to incentives for retailers to install equipment
54.9 necessary to dispense renewable liquid fuels to the public.

Draft Governor's Council on Biofuels Principles

For consideration at GCB Executive Committee 5/26/2020 meeting

Recommendations will:

- Advise the Governor, and the Commissioners of the Department of Agriculture, the Department of Transportation, the Department of Commerce, and the Pollution Control Agency on the role of biofuels in reducing greenhouse gas emissions
- Include policies and programs that:
 - Foster growth in the production and use of biofuels
 - Accelerate achievement of the petroleum replacement goals outlined in Minnesota Statutes 2018, section 239.7911
 - Advance and invest in carbon efficiency improvements of biofuels plants and sources of biofuels feedstock
 - Utilize biofuels to help Minnesota achieve its greenhouse gas reduction goals under the 2007 Next Generation Energy Act
 - Identify the biofuels infrastructure required to achieve the petroleum replacement goals
 - Recommend cost-effective incentives necessary to expedite the use of greater biofuel blends in this state, including but not limited to incentives for retailers to install equipment necessary to dispense renewable liquid fuels to the public
- Consider the relation of biofuels production to the impacts to, and opportunities for, farmers, rural communities, the natural environment, and economically disadvantaged populations
- Consider the feasibility and cost of increasing biofuels infrastructure throughout Minnesota

From: [Tim Gross](#)
To: [Patton, Bob \(MDA\)](#)
Subject: Executive Committee Suggestion
Date: Wednesday, April 29, 2020 1:52:32 PM

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Bob,

I wonder if you would be willing to pass on this suggestion to the Executive Committee?

Might the executive committee consider forming a subcommittee to address possible solutions to the Underground Storage Tank system infrastructure issue related to E-15? The subcommittee would be charged with presenting to the full council a suggested set of solutions to the issue of infrastructure compatibility to allow E15 and higher blends to be offered for sale more wide-spread in our state.

The subcommittee should include representatives for the Department of AG, the Department of Commerce (including the MPCA and the Petrofund), Department of Revenue, the Corn Growers, the Ethanol producers, MSSA and myself.

There is a fear that without a small working group attending to this issue now, we might not have a solution ready to present to the Governor by November.

Thank you for your consideration,

Tim

Timothy Gross
Executive Director
Minnesota Petroleum Marketers Association
Direct - 651.888.8752
Cell - 218.391.3556
tgross@mpmaonline.com

Draft Governor's Council on Biofuels Vision

For consideration at GCB Executive Committee 5/26/2020 meeting

The state moves rapidly to establish E15 as a base fuel, and adopts policies and programs to foster robust development of biofuels over the coming decades that:

- Reduce greenhouse gas emissions;
- Complement state efforts to decarbonize the transportation sector;
- Protect and enhance air quality and public health, water quality, wildlife habitat, biodiversity, soil productivity and other associated ecological services, and ensure healthy and vibrant forest-reliant communities;
- Improve the economic vitality of the state, particularly in rural Minnesota and in the renewable energy, agricultural, and forest sectors;
- Reduce fuel costs; and
- Financially reward farmers for environmental stewardship, particularly for agronomic practices that lower carbon intensity of biofuels feedstock and have other environmental and public health benefits.