



March 6, 2025

Dear Members of the House Taxes Committee:

The Minnesota Chamber of Commerce represents over 6,300 businesses of all sizes and industries and over 500,000 employees in Minnesota. We advocate for public policies to strengthen Minnesota's business climate and to help grow Minnesota's economy.

We appreciate the opportunity to share our thoughts on Chair Davids' House File 1669.

Sustainable Aviation Fuel (SAF) is a rapidly growing industry. According to the Energy Information Administration, production of SAF in the US was on pace to increase from 2,000 barrels per day to nearly 30,000 barrels per day over the course of 2024. And as the demand for SAF continues to grow – both domestically and internationally – Minnesota is well positioned to play a leading role in its development and production. Our robust agricultural sector and diverse resources, including cover crops, corn, and woody biomass residues provide options for a variety of SAF feedstocks.

HF 1669 helps further Minnesota's competitive advantage in developing SAF by increasing and extending the state's tax incentive to 2035. In addition, reforming our state's permitting process for SAF-related projects and other industries will increase the attractiveness Minnesota as a site for private sector investment and economic growth.

We want to thank Representative Davids for bringing HF 1669 forward and for leading on this important issue to ensure that Minnesota is able to achieve the maximum economic benefit from industry trends toward SAF.

Sincerely,

Brian Cook
Director of Tax, Fiscal Policy, and Elections

Bentley Graves
Director of Healthcare and Transportation
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March 6, 2025

Members of the House Committee on Taxes -

I am Kent Hartwig Director of State Government Affairs for Gevo, Inc. Gevo is a renewable fuels and chemicals company focused on the commercialization of sustainable aviation fuel ("SAF"). We have a footprint throughout the United States that includes a demonstration facility in Luverne, Minnesota where we have developed fuels and processes for larger scale up.

Gevo is strongly supportive of HF 1669, an expansion of the Minnesota SAF incentive, and we are grateful to Representative Davids for bringing this bill forward. This legislation is an important step for Minnesota airports and consumers to access the carbon and pollution reductions available through SAF, growing the volume of fuel available within the existing credit.

Not only does this legislation aid in driving fuel to the Minnesota market, but it is important for the build-out of SAF production domestically. Building demand for SAF outside of the West Coast demonstrates to investors that SAF is ready for the necessary financing to grow production to meet demand. The presence of supportive, well-funded policy is a key signal for Wall Street to invest.

The expanded SAF incentive as proposed in HF 1669 is necessary in Minnesota to overcome market pulls to the Low Carbon Fuel Standards in California and Oregon. Because U.S. SAF production is a small volume, SAF is sent to states with the highest value market. The existing SAF incentive and this increase covers the difference in the LCFS market and allows fuel to flow to MSP and other Minnesota airports.

The aviation industry understands the challenges they face in reducing carbon emissions because there is no meaningful way to electrify air travel. Therefore, SAF is a needed fuel to meet the goals of their customers. Because of this, SAF made from agricultural crops is a more immediate opportunity, and at Gevo, we are working to ensure the product we create is the lowest carbon fuel available.

Our first commercial-scale production facility that is in the financing and development phase in Lake Preston, South Dakota is expected to annually produce 65 million gallons of low CI hydrocarbons, including SAF, renewable diesel, and naphtha. We are taking significant efforts to de-fossilize and de-carbonize the inputs and plant emissions to the greatest extent possible. To achieve a net-zero carbon plant, Gevo is committed to reducing fossil emissions by using renewable electricity from a 100-megawatt wind farm,

producing green hydrogen on-site, and use renewable natural gas from methane digesters.

Not only is Gevo focused on reducing the carbon impact our plant has, but also on reducing the carbon intensity of our feedstock to ultimately reduce the CI of the fuel. This is done through working directly with farmers to encourage regenerative agricultural practices that reduce their carbon emissions. This includes low- and no-till practices, cover-crops, less diesel consumption, and reduced synthetic fertilizer application. Gevo is building a system to track field level data and ultimately pay a premium for feedstock that meets lower carbon benchmarks. We envision the SAF production industry will adopt similar plans to acquire lower carbon feedstock to maximize value and carbon intensity.

Again, thank you for this legislation. If passed, HF 1669 will have an impact on air travel by reducing carbon emissions and criteria air pollution and potentially improve impacts from agriculture. Gevo hopes you will keep this important bill moving by passing it forward. Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read 'KH', is positioned below the text 'Respectfully,'.

Kent Hartwig
Director of State Government Affairs



Gevo, Inc.



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March 6, 2025

The Honorable Greg Davids
Chair, Taxes Committee
Minnesota House of Representatives
658 Cedar Street, 2nd Floor
Saint Paul, MN 55155

Chair Davids and Committee Members,

Fresh Energy is a more than 30-year-old nonpartisan, non-profit advocacy organization that shapes and drives bold policy solutions to achieve equitable, carbon-neutral economies by 2050. We are writing today regarding House File 1669, which seeks to increase funding for the Sustainable Aviation Fuel (SAF) Tax Credit through 2029.

Aviation accounts for nearly 10 percent of greenhouse gas emissions from the transportation sector in the United States, according to the U.S. EPA.¹ With emissions from aircraft on the rise, governments and major domestic and international airlines are urgently seeking ways to reduce aviation industry emissions through low-carbon fuel pathways that can benefit communities, mitigate climate impacts, and drive business development.

Minnesota is an ideal location for SAF development due to its abundant feedstocks, existing infrastructure, and strong market demand, as well as its demonstrated commitment to clean energy and environmental sustainability.

But the choices we make *now* about Minnesota's SAF marketplace will have an impact for decades to come. For these reasons, Fresh Energy believes a nuanced approach to SAF development and production is essential and co-developed [guiding principles](#) in July 2024 to make sure that our burgeoning SAF industry not only provides an economic boon to our business and agricultural sectors, but also invests in the lowest-carbon fuels while improving water quality and providing other environmental benefits. These principles include:

- Ensuring cropland emissions assumptions and reduction goals are rooted in science.
- Defining "sustainable" to include air, water, biodiversity, and clean energy — not just a carbon intensity score.
- Prioritizing and investing in sustainable aviation fuels that lean into regenerative agriculture, including an emphasis on significantly lower-carbon, innovative feedstocks such as winter oilseeds, which also have huge benefits for water quality and biodiversity.

- Leveraging SAF's role in the energy transition to bolster rural communities while addressing the persistent environmental, economic, and racial injustice and inequity in our agriculture and energy systems.

This legislation is an opportunity to better align our state's financial incentives with the long-term outcomes we want from a flourishing Minnesota SAF industry. **In particular, we strongly urge lawmakers to incentivize cleaner SAF pathways by tying the tax credit amount to a fuel's greenhouse gas reduction potential (e.g. carbon intensity score)**, consistent with the Governor's budget recommendation and current language of the Senate companion bill, Senate File 1312. This approach is also consistent with how Washington state's SAF tax credit has been designed.²

Doing so will ensure that fuel pathways like Power-to-Liquid³ – which have among the lowest carbon intensity scores and therefore greatest potential for deep greenhouse gas reductions, but which are in earlier stages of commercial development – are being invested in *now* to ensure successful, at-scale production in the near future. Tying SAF financial incentives to carbon intensity in this way has been identified as a best practice by the International Council on Clean Transportation, alongside inclusion of sustainability safeguards and policy longevity.⁴

We also recommend explicitly including green hydrogen⁵ under the definition of sustainable aviation fuel to ensure that the Power-to-Liquid pathway mentioned above is firmly eligible for the Minnesota SAF Tax Credit.

Building a SAF industry in Minnesota offers a sweeping opportunity to lower emissions, promote equitable economic growth, and lead the nation in a transition to a decarbonized economy. But investing in SAF without optimizing climate and environmental benefits risks undermining our greenhouse gas reductions and sustainability goals.

Minnesota can demonstrate a best-in-class approach to sustainable SAF market development by prioritizing the lowest carbon fuel pathways derived from Minnesota-grown regenerative cropping systems and Minnesota-generated carbon-free energy.

For these reasons, Fresh Energy strongly urges that any increase in the SAF tax credit also incentivizes cleaner, less mature SAF fuel pathways like Power-to-Liquid by increasing incentive levels for fuel pathways with lower carbon intensity scores that offer the greatest reductions in greenhouse gas emissions, and explicitly includes green hydrogen in the definition of SAF.

Sincerely,

Anjali Bains
Managing Director, Transportation
Fresh Energy



Minnesota Sustainable Aviation Fuel Hub: 2024 Year in Review

Since launching in August 2023, the Minnesota SAF Hub has made significant strides in shaping the future of decarbonized air travel. The accomplishments below have laid the foundation for an operational SAF economy based in Minnesota that will create thousands of jobs, attract billions in capital investment and change the world in 2025 and beyond.

We achieved four milestones in 2024:

Launch of a demand consortium: A coalition of major companies—including Bank of America, Deloitte, Delta Air Lines, and Ecolab—has formed a demand consortium to purchase millions of gallons of SAF annually, starting in 2025. A unique design approach, the consortium has committed to the purchase of the first 15 million gallons of SAF. By ensuring steady demand, we can continue to scale production while lowering costs.

Blending facility construction planned: A new blending facility at Flint Hills Resources' Pine Bend refinery in Rosemount will be capable of producing 30 million gallons of SAF annually. This facility is a vital step toward building a robust SAF supply chain, delivering blended SAF to MSP International Airport.

First SAF-fueled flight from MSP Airport: On September 25, the first-ever SAF-powered flight from MSP International Airport took off using fuel derived from winter camelina, an environmentally sustainable oilseed crop grown in Minnesota. The Delta Air Lines flight flew to New York for Climate Week, bringing international attention to Minnesota's potential as a key player in the SAF industry and symbolizing what's possible in our work together.

First site selection in Minnesota for SAF production: DG Fuels announced plans for a SAF production facility in Moorhead. The facility represents a \$5 billion investment and 650 jobs for Minnesota's economy.

We also laid the groundwork for future projects and efforts:

Built a portfolio of potential projects: Over 2024, the MN SAF Hub engaged with over 20 producers across 7 different feedstock / technology pathway combinations. Minnesota's abundant agricultural feedstocks and strong existing infrastructure gives us many opportunities to pursue, and continue to develop in 2025.

Completed site feasibility assessment: One SAF value chain is alcohol-to-jet (ATJ) production. We commissioned a site feasibility study to identify the most promising sites for ATJ SAF production co-located with ethanol production. After assessing approximately 20 sites in Minnesota, three were prioritized for a deeper cost analysis.

Hub members have access to full results upon request. We can also share the results with credible project developers

Hosted a workshop with U.S. Department of Energy: Our workshop in May drew nearly 170 attendees and inspired similar workshops around regional SAF efforts in Seattle and Atlanta.

Added collaborators to the MN SAF Hub: Since August 2023, we have added five new collaborators, including agricultural groups, financial institutions, value chain players, and project managers. Our hub's efforts will benefit from broader expertise and reach as we enter a new phase of higher complexity.

Engaged in national and global conversations: The MN SAF Hub has appeared or been featured at Climate Week, Davos, and SAF Magazine. We have held meetings in Washington, D.C., Washington state, Appalachia, New York, Texas and California, and talked about SAF with people from the U.K., Australia, Netherlands, Sweden, Norway and Germany.

Looking ahead

The Minnesota SAF Hub will continue to grow in size and impact in 2025. Our first year was about standing up our effort and proving ourselves with early successes. In 2025, we will enter a much more complex phase of the work, where we will need pursue a broad portfolio of projects across multiple pathways and time horizons. In particular, we will focus on

- Securing additional **long-term commitment for SAF** via expanding our demand consortium
- Partnering with farmers and growers to expand our knowledge of, and share insights into, Minnesota's **agricultural and biomass feedstocks**, including mapping out how to measure carbon reductions of those feedstocks, reward reductions with financial incentives, and scale low-carbon feedstocks and practices
- **Solving challenges at a project level**, in partnership with state and local leaders
- **Sharing with the world** why Minnesota is an attractive place to produce SAF
- Identifying **opportunities to innovate** and demonstrate novel approaches and technology

Up for the challenge? We hope you will climb aboard.



March 6, 2025

Chair Greg Davids
House Taxes Committee
Centennial Office Building
658 Cedar Street, St. Paul, MN 55155

Chair Davids and Committee Members,

I am writing in support of HF 1669 on behalf of the Minnesota Conservative Energy Forum (MNCEF), a non-profit education and advocacy organization that promotes an "all-of-the-above" energy strategy for Minnesota. Our organization encourages policymakers to embrace innovations in clean, reliable and affordable energy based on principles such as economic growth, property rights, free markets, environmental stewardship, job growth, and national security.

HF 1669 would significantly advance our state's industrial decarbonization efforts while creating economic growth, particularly in light of Minnesota's ambitious 100% clean energy by 2040 goal requires addressing emissions across all sectors, including aviation. SAF represents one of the most promising pathways to decarbonize the aviation industry, reducing lifecycle greenhouse gas emissions by up to 80% compared to conventional jet fuel.

The forthcoming SAF production facility in Moorhead demonstrates Minnesota's potential in this growing industry. State tax credits would further catalyze this development, helping to:

- Expand Minnesota's renewable energy economy
- Create high-quality jobs in rural communities
- Establish our state as a national leader in SAF production
- Support the agricultural sector through increased demand for feedstocks
- Reduce carbon emissions from flights departing MSP International Airport

Minnesota's abundant agricultural resources, existing biofuel infrastructure, and strong research institutions create a solid foundation for SAF development. This issue has garnered bipartisan support as it aligns economic growth with environmental stewardship. A state tax credit program would complement existing federal incentives, accelerating investment and innovation in this critical technology.

Thank you for your consideration of this important opportunity to advance Minnesota's clean energy future.

Sincerely,

A handwritten signature in black ink that reads "Rachel E. Stuckey".

Rachel Stuckey
Executive Director
Minnesota Conservative Energy Forum



*Protecting, restoring and enhancing the metro
Mississippi River and its watershed since 1993.*

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Chair Davids and Members of the Committee,

On behalf of Friends of the Mississippi River (FMR), thank you for the opportunity to provide this letter of support for [H.F. 1669](#).

Friends of the Mississippi River (FMR) engages people to protect, restore, and enhance the Mississippi River and its watershed in the Twin Cities region. We recognize that Sustainable Aviation Fuel (SAF) policies and incentives have enormous potential to influence environmental and social outcomes in Minnesota, including the health of the Mississippi River.

If done well, state-level SAF incentives can help improve water quality, biodiversity and farm prosperity while reducing greenhouse gas emissions in the agricultural and transportation sectors. That is why we advocate for SAF strategies that align with our [guiding principles](#)¹, with a particular focus on large-scale, near-term investments in feedstocks like camelina and pennycress being developed by the University of Minnesota's Forever Green Initiative.

These innovative cropping systems are low-carbon biofuel feedstocks that protect water quality and soil health and provide habitat for wildlife and pollinators while giving farms an additional revenue stream. With the right support, these crops can be a win-win for our farmers and our environment.

[H.F. 1669](#) is an important tool in incentivizing those feedstocks while helping our state lead the global race to decarbonize air travel. We look forward to working with you, alongside leadership from the Minnesota SAF Hub, Delta Airlines, state agencies, agricultural interests and other sustainability stakeholders to help ensure Minnesota's SAF economy is vibrant and truly sustainable.

Thank you,

Trevor Russell

Water Program Director
Friends of the Mississippi River

(1) <https://fmr.org/updates/general/press-release-sustainable-aviation-fuels-how-we-can-get-it-right>