

Subject Biofuel infrastructure grants

Authors Anderson P.H. and Others

Analyst Megan Mullenbach

Date February 28, 2025

Summary

This bill would appropriate \$4,500,000 each fiscal year from the general fund to the Minnesota Department of Agriculture (MDA) for biofuel infrastructure grants. It sets the base for the appropriation for fiscal year 2028 and beyond at \$3,000,000.

The MDA is tasked with promoting the use of biofuels and the ability of retailers to sell biofuel, with the goal of having biofuel account for 30% of total gasoline sold or offered for sale. MDA awards retailers grants to replace or upgrade their equipment to have the ability to sell E25 (25% ethanol, 75% gasoline). Eligibility is limited to retailers that have no more than 15 retail sites in Minnesota. Previous grants were limited to retailers with no more than 10 retail sites in Minnesota. Grants are capped at \$200,000 per station.

This bill also requires reports from the MDA and any financial institution with which the MDA contracts. This report must include information about the program including its cost, the number, types, and location of projects that received funding, and the number of grants made to minority-owned or female-owned businesses.