



Bioincentive and Biofuels Infrastructure Program Overview

Senate Agriculture, Broadband, and Rural Development Committee

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Bioincentive Program

Bioincentive Program Background

- Program established in 2015
- Incentive payments for:
 - Renewable Chemicals
 - Advanced Biofuels
 - Biomass Thermal Energy
- Participants eligible to collect payments for 10 years



Bioincentive Program – How It Works

- Eligible producer receives payment per unit of production
- Cap on amount claimed each year
- Use renewable biomass from agricultural or forestry sources
- Source 80% or more biomass from MN
- Standards for biomass sourcing
- Certified Public Accountant attestation requirement

Bioincentive Program Funding and Payment History

- Production claims submitted quarterly
- Beginning in FY 2019, claims outpaced funding available
- Total claims: \$23,793,107
- Total paid: \$13,966,831
- Total unpaid: \$9,826,275

Amount appropriated per biennium:

Biennium	Year 1	Year 2
2016-2017	\$500,000	\$1,500,000
2018-2019	\$1,500,000	\$1,500,000
2020-2021	\$2,500,000	\$2,500,000
2022-2023	\$4,500,000	\$5,750,000
2024-2025	\$5,750,000	\$5,750,000

Bioincentive Program Successes

Program Success

- Economic development driver
- Offsets fossil fuel usage by replacing with bio-based version
- 16 participating facilities in 2023

Cumulative Outcomes (2022)

- 18.5 million gallons of advanced biofuels
- 69.7 million pounds of renewable chemicals
- 174,600 MMBtu of biomass thermal heating

Biofuels Infrastructure Grant Program

Biofuels Infrastructure Grant Program Background

- Established in 2021 legislative session
- Increases access and sales of motor fuels blends containing at least 15% ethanol
- Provides funds to upgrade dispensers, storage tanks, and other equipment certified as E25 compatible
- Supports biofuel replacement goals under the Petroleum Replacement Promotion statute (MINN. STAT. 239.7911)

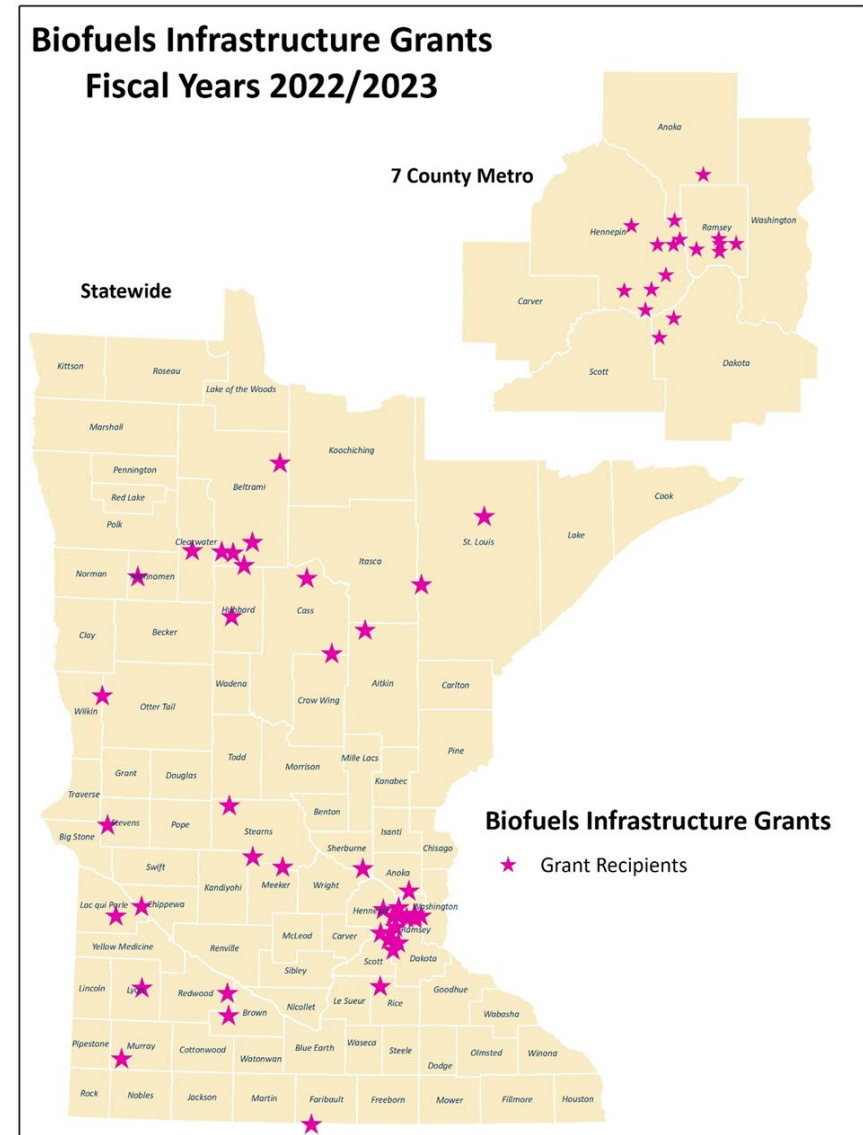


Biofuels Infrastructure Grant Program – How It Works

- Proposals reviewed by the MDA and external panel with biofuels expertise
- Grants awarded competitively
- Grant awards cover 65% of eligible expenses
- Fuel station must be in MN and have no more than 10 locations

Biofuels Infrastructure Grant Program – Success to Date

- The MDA received 71 proposals totaling \$10.5M
- \$6.48M awarded to 44 recipients in FY22-23
- State funds supplemented by \$1M MN Corn Growers gift
- Leveraged \$7.8M in private investment



Biofuels Infrastructure Grant Program - Recipients

Grant Recipients

- Of 44 awards:
 - 14 women-owned
 - 9 BIPOC-owned
 - 8 serve tribal communities
- Grants range from \$83,000-\$199,000

Grantee Spotlight: Nelson Auto World



Biofuels Infrastructure Grant Program Impacts

- Expands market access by 10%
- Grantee estimates of 2024 sales:
 - 23,592,799 gallons of E15
 - 2,589,600 gallons of E85
- Save consumers money at the pump
- Improves local air quality

Thank You!

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