

February 27, 2025

Minnesota Senate  
Committee on Taxes  
Capitol G-15  
Saint Paul, MN 55155

RE: Senate File 1312 - Allocation for Sustainable Aviation Fuel Credit

Dear Chair Rest and committee members,

On behalf of Clean Energy Economy MN (CEEM), we write today in strong support of the proposed \$10 million increase in the sustainable aviation fuel (SAF) tax credit for fiscal year 2026 through 2029. This significant boost in the SAF tax credit will solidify Minnesota's position as a leader in the development of the SAF industry.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We are focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership comprises over 70 clean energy companies ranging from start-up businesses to Fortune 100 companies that employ tens of thousands of Minnesotans across the state. CEEM stands committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

According to the International Energy Agency, aviation accounts for approximately 2.5% of global carbon dioxide emissions<sup>1</sup>. SAF is an emerging low-carbon fuel alternative that can significantly reduce life cycle greenhouse gas emissions compared to conventional jet fuel in the aviation sector. Minnesota, with its SAF hub, is uniquely positioned to support the growing SAF economy. The state benefits from strong market demand, ongoing industry research and development, and a rich supply of feedstocks, such as corn, soybeans, and agricultural and forestry residues, to drive the rising SAF industry's expansion.

Increasing the SAF tax credit allocation to \$10 million will help Minnesota maintain its competitive edge in the biofuel industry while expanding economic opportunities. Moreover, this increase ensures continued growth in the clean fuels sector – where Minnesota is currently the seventh largest producer of biofuels in the nation<sup>2</sup>.

Thank you for your attention to this important matter. We appreciate Chair Rest for authoring SF1312 and for bringing it forward for discussion today. If you have any questions, please let us know.

Sincerely,



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1. International Energy Agency: CO2 Emissions in 2022:  
<https://iea.blob.core.windows.net/assets/3c8fa115-35c4-4474-b237-1b00424c8844/CO2Emissionsin2022.pdf>
2. U.S. Energy Information Administration: Biodiesel production and consumption by state:  
<https://www.eia.gov/todayinenergy/detail.php?id=44496#:~:text=Iowa%20has%20the%20largest%20biodiesel,it%20surpassed%20Illinois%20and%20Missouri>