Bioeconomy Coalition of Minnesota's 2024 Policy Platform

The Bioeconomy Coalition of Minnesota's Policy Committee works together to advocate for policies that help the bioeconomy grow, with an emphasis on supporting Minnesota's Bioeconomy Production Incentive Program. The policy positions outlined below reflect the direction of the coalition for the 2024 legislative session, and are supported by the following members:

Amp Americas
Clean Energy Economy Minnesota
Conservation Minnesota
Dovetail Partners
Gevo
Minnesota Biofuels Association
The Partnership on Waste and Energy (Hennepin, Ramsey and Washington Counties)
POET

The Bioeconomy Coalition of Minnesota supports a fully funded Bioincentive Program so that Minnesota can fulfill its commitment to companies that have made investments in the state and so the program can continue to attract additional projects.
The Minnesota legislature created the performance-based Bioincentive Program to encourage commercial-scale production of advanced biofuels, renewable chemicals, and biomass thermal energy or combined heat and power. Companies do not receive upfront dollars in the form of grants or loans—they must first invest in a project and begin producing eligible products to receive incentive payments. This ensures that the program pays for itself through increased jobs and economic benefits, and it does not put the state at risk of paying for projects that fail to materialize. Despite the program's success at creating economic benefits across Minnesota, it remains underfunded at $5.75 million annually. The program requires $15 million annually in funding plus additional funding for previously unpaid claims to support Minnesota's bioeconomy and fully realize its potential economic and environmental benefits.

The Bioeconomy Coalition of Minnesota supports implementation of the recommendations from the Governor's Council on Biofuels, including implementing a clean fuel standard, supporting E-15 blending year-round, and investing in biofuel blending infrastructure. Governor Walz signed Executive Order 19-35 in September 2019, establishing the Governor's Council on Biofuels to advise the governor and agency leaders on policy and budget proposals to foster the growth of Minnesota's biofuels industry. The council released recommendations to Governor Walz on November 2, 2020.

The Bioeconomy Coalition of Minnesota supports markets for wood residuals, bug-infested waste wood, and other underutilized wood. Multiple trends are creating challenges for Minnesota's wood industries. Markets for mill residuals are declining, causing many mills to stockpile their residuals. Additionally, insect infestations like emerald ash borer (EAB) are increasing wood waste. Developing sustainable markets is essential to the long-term health of

Minnesota's existing wood industries and to the long-term management of forested lands. One solution to increase wood utilization in the state is adopting the tall mass timber code provisions in the 2021 and/or 2024 International Building Code, which would help to reduce concrete and steel construction and increase carbon sequestration. Another potential solution is providing support for new or expanded markets for converting wood waste to biochar, utilization in secondary products (animal bedding, composite materials, wood pellets, etc), and/or use in biomass thermal or combined heat and power generation.

The Bioeconomy Coalition of Minnesota supports legislation, regulation, funding, and utility dockets that advance the development of anaerobic digestion projects in the state. Anaerobic digestion technology has been successful in other parts of the United States and Europe, where organic materials are processed into renewable energy products. Biogas produced through anaerobic digestion can be used on-site for electricity generation, upgraded partially for use in compressed natural gas vehicles, or upgraded to pipeline-quality renewable natural gas for sale into low-carbon fuels markets or the Renewable Fuels Standard. In each case, biogas displaces the use of conventional fuels, resulting in greenhouse gas emissions reductions.

The Bioeconomy Coalition of Minnesota supports legislation and funding to bolster biogenic carbon reduction, re-use, and storage. Capturing, storing, and utilizing biogenic carbon—or carbon already pulled from the atmosphere through photosynthesis and stored in plant material—presents an opportunity for not just zero-carbon but net-negative carbon energy, fuels, and products. With more federal incentives becoming available for carbon reduction and sequestration, many states will be competing for industry investments. Creating more state-level incentives would make Minnesota more attractive for investments that incorporate soil carbon storage, carbon capture, carbon utilization, and more. This presents an opportunity to maximize the carbon removal benefits for use of state biomass resources while promoting economic development.

The Bioeconomy Coalition of Minnesota supports legislation and funding to support onsite biomass waste utilization for heat and electricity generation. Providing incentives for distributed generation would support energy production from biomass waste. This would lead to increased waste utilization and lower costs due to reduced reliance on transmission infrastructure. This is also an opportunity for state policy to fill a gap left by federal incentives, which do not provide sufficient support for distributed generation.

The Bioeconomy Coalition of Minnesota supports legislation and funding to support sustainable aviation fuel production and use in Minnesota. Multiple airlines are making commitments to reduce their carbon footprints by utilizing sustainable aviation fuel, and federal funding for clean fuel production is expected to increase investments further in sustainable aviation fuel over the coming years. State-level incentives ensure that states are well positioned to compete for—and thus benefit from—those investments. In 2023, the Legislature passed legislation creating a sustainable aviation fuel tax credit to provide up to $1.50 per gallon of SAF produced in Minnesota or blended with aviation fuel in the state. Legislators approved that tax credit and $11.6 million in funding for it as part of the omnibus transportation bill package.

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The Bioeconomy Coalition of Minnesota supports amending the definition of biomass in the 100% Clean Energy Standard to include waste wood and wood chip biomass. The definition of biomass in the Clean Energy Standard should be consistent and inclusive of what is commonly accepted as biomass, like that of the definition used by the Environmental Protection Agency, and to ensure that it is an acceptable renewable energy source under the standard.