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

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Dear Senator,

I am writing on behalf of Friends of the Mississippi River to urge your support for Senator Dibble's Clean Transportation Standard legislation (SF 2584 - A10 amendment).

The Clean Transportation Standard bill encourages cleaner and more affordable transportation options, reduces our reliance on petroleum and ethanol in our cars and trucks, promotes equitable vehicle electrification, and creates new pathways for millions of acres of regenerative ag practices statewide.

How a Clean Transportation Standard Works

SF 2584, as amended, creates a Clean Transportation Standard (CTS) that will reduce the carbon intensity of Minnesota's transportation fuels by at least 25% by 2030 and 75% by 2040 — with a goal of achieving 100% by 2050.

Under a clean transportation standard, fuel sources with lower lifecycle carbon emissions can generate credits. In contrast, more carbon-intensive fuels generate deficits that can be offset by purchasing credits.

The predictable nature of the declining carbon intensity standard sends a clear policy signal to the market. It allows entities to strategically invest in the lowest-carbon fuel options (including electricity). Meanwhile, the CTS directs a portion of utility-generated credit revenue toward investments in electric vehicle (EV) infrastructure and rebates to help accelerate equitable EV adoption across Minnesota.

Minnesota's GHG Emissions Profile

Minnesota's recently released Climate Action Framework identifies transportation as Minnesota's top source of greenhouse gases. It emphasizes the potential to use carbon-free and low-carbon fuels to accelerate the decarbonization of the transportation sector.

While transportation is Minnesota's top greenhouse gas (GHG) emissions source, agriculture is a close second. Agricultural sector emissions are increasing. That's why FMR strongly supports a CTS that accelerates transportation sector emissions reductions while reducing cropland emissions and

enhancing landscape diversity (an essential step in restoring water quality and soil health).

In fact, the CTS may be one of our most potent policy levers for achieving several of our top environmental and natural resource priorities.

The benefits of a CTS

1. **Reducing emissions for our two largest emitting sectors**. Minnesota must have a sound strategy for reducing emissions in the transportation & agricultural sectors. Reducing overall GHG emissions is essential to avoid climate change's most extreme impacts, which have undeniable consequences for water quality and aquatic life.

   For example, a 2017 study in Science Magazine anticipated that nitrogen loading in the upper Mississippi River basin would increase by about 24% during the 21st century due to climate-change-induced precipitation changes. Given the existing 45% nitrogen reduction goals in Minnesota's Nutrient Reduction Strategy, it is clear that failing to achieve our climate goals will make an already-daunting water quality challenge almost impossible to overcome.

2. **Funding our electric vehicle future**: Based on ICF's analysis for the MN CTS Work Group (on which I served) and applying reasonable assumptions for credit prices, the CTS could provide between $133-267 million per year for EV infrastructure and rebates.[1]

   This funding stream isn't subject to swings in the state budget. It will provide the resources necessary to (a) allow more Minnesotans to access EVs and (b) build out the infrastructure necessary to fully integrate EVs into our economy by 2050. No other policy we are aware of will produce this massive and immediate investment into accelerating EV adoption.

3. **Reducing our reliance on gasoline and ethanol consumption**: Modeling by the Minnesota Clean Transportation Standard Work Group found that by 2050, the CTS will reduce our overreliance on gasoline and ethanol in the state. This is an essential strategy for reducing our GHG emissions.

4. **Reducing legacy vehicle emissions:** The EV transition won't happen overnight. Internal combustion engines will be on the road for decades to come. A CTS is a mechanism for lowering the carbon intensity of traditional fuel vehicles that will never electrify. Addressing emissions from these vehicles is essential to achieving our climate goals as we electrify.

5. **Improving water quality, soil health and habitat.** The CTS includes powerful incentives to enhance water quality and soil health by getting regenerative ag practices and innovative

[1] Assumptions: *80% of cars charge at home and a credit price ranging from $100 - $200.*

Forever Green crops into millions of cropland acres statewide. How?

a. **Regenerative agriculture**: The program creates clear incentives for biofuel producers to adopt so-called 'climate smart' conservation practices on croplands used for biofuel production. These regenerative ag practices, including no-till, cover crops, and optimum nutrient management, have the potential to reduce on-farm emissions and are a proven strategy for improving soil health and reducing farm runoff.

b. **Continuous Living Cover (CLC) cropping systems**: The legislation also includes a credit bonus for fuels produced with "continuous living cover" (CLC) cropping systems. These CLC crops, including Camelia and Penycress, are under development at the University of Minnesota's Forever Green Initiative and produce ultra-low-emission biofuels. These crops also help absorb excess nutrients and anchor the soil, leading to fewer pollutants seeping into Minnesota's waters. As we found in our 2023 analysis "Putting Down Roots," these winter oilseeds could realistically be planted on 5.5 million acres of MN cropland by 2050, dramatically improving soil, health, water quality, habits and farmer's bottom lines.

By creating powerful incentives for regenerative agriculture and CLC cropping systems on the millions of acres of Minnesota croplands, the CTS represents a once-in-a-generation opportunity to transform agricultural conservation statewide.

6. **Improving air quality and public health**: When it comes to public health, nothing is more important than the air in our lungs. That's why the CTS bill requires the rules to ensure that the CTS "improves air quality and public health, targeting communities that bear a disproportionate health burden from pollution from transportation fuels."

   The CTS policy will generate public health benefits due to reduced tailpipe emissions, particularly in communities disproportionately impacted by transportation pollution. According to research by the Holloway Group at the University of Wisconsin, a CTS could generate up to $35 million in annual health benefits for Minnesota.

7. **Ensuring equitable electrification**: The bill requires that the CTS "supports equitable transportation electrification powered primarily with low-carbon and carbon-free electricity that benefits all communities."

   SF 2584 specifies that at least 60% of the credit revenue generated by a utility from residential electric vehicle charging must be invested in transportation electrification for the primary benefit of rural areas and environmental justice areas. This helps ensure equitable electrification for every neighborhood in Minnesota.

8. **A boost to the green economy:** The CTS bill also invests in green jobs for all Minnesotans. This bill will create net positive economic impacts due to increased availability of lower-cost, lower-carbon fuels, investments in biofuels and electric vehicle infrastructure, and increased electricity sales. According to modeling by ICF, a Minnesota CTS could contribute over $197 million to Minnesota's gross domestic product and generate an annual average of 1,500 jobs and $95 million in labor income.

In short, a CTS will significantly reduce the state's two most significant sources of greenhouse gas emissions (transportation and agriculture) while helping restore water quality and soil health throughout the Mississippi River watershed.

For these reasons, I urge you to support Sen. Dibble's SF 2584 as amended.

Thank you.

Trevor Russell
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Friends of the Mississippi River