

Clean Fuel Standard Stakeholder Sessions



Welcome &
Thank You

Objectives and Agenda

Objectives:

- Discuss background information and build shared understanding
- Connect and get to know other stakeholders
- Identify common threads to guide policy conversations
- Explore areas to learn more about

Agenda:

- Welcome (MNDOT/MDA) – *10 minutes*
 - Agenda Overview, Meeting Objectives
- Introductions (All) - *5 minutes*
- Background of CFS and Stakeholder Process (MNDOT/MDA) – *10 minutes*
- Open Discussion (All) – 30 minutes
- Next Steps (MNDOT/MDA) – 5 minutes
- Adjourn

Welcome from Governor Walz

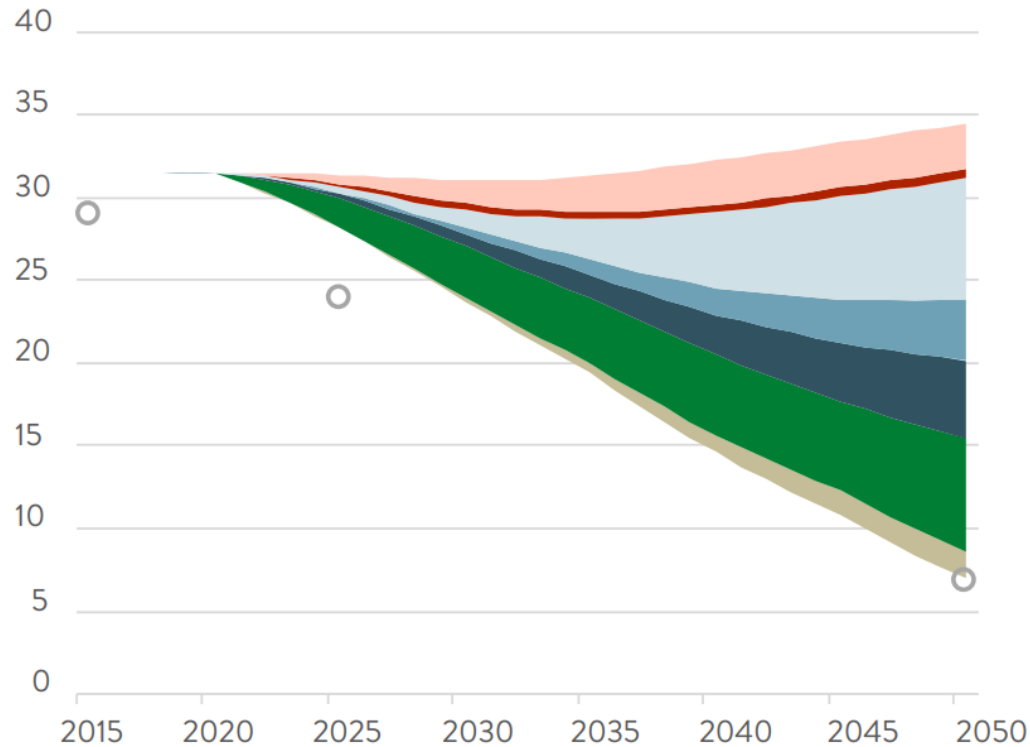


Goals & Process

- Engagement
- Goals
 - Listen
 - Identify shared goals and priorities
 - Build shared understanding
- Summary report/white paper – early Feb 2022
 - What are shared priorities, constraints, areas for further discussion?
- Other opportunities to engage
 - Rulemaking
 - Public Comment Processes
- Stakeholder Groups:
 - Agriculture and Rural
 - Business
 - Environment and Conservation
 - Environmental Justice
 - Labor and Economic Development
 - Petroleum and Refineries
 - Utilities

Sustainable Transportation

Figure 1: Emission reductions by measure, 80x50 scenario



- Fuel Economy Standards
- Reduction in Urban Miles Traveled
- Light Duty Electric Vehicles
- Medium Duty Electric and Hybrid Vehicles
- Heavy Duty Electric and Hybrid Vehicles
- Biofuels
- Mobile Refrigerants
- GHG Goals

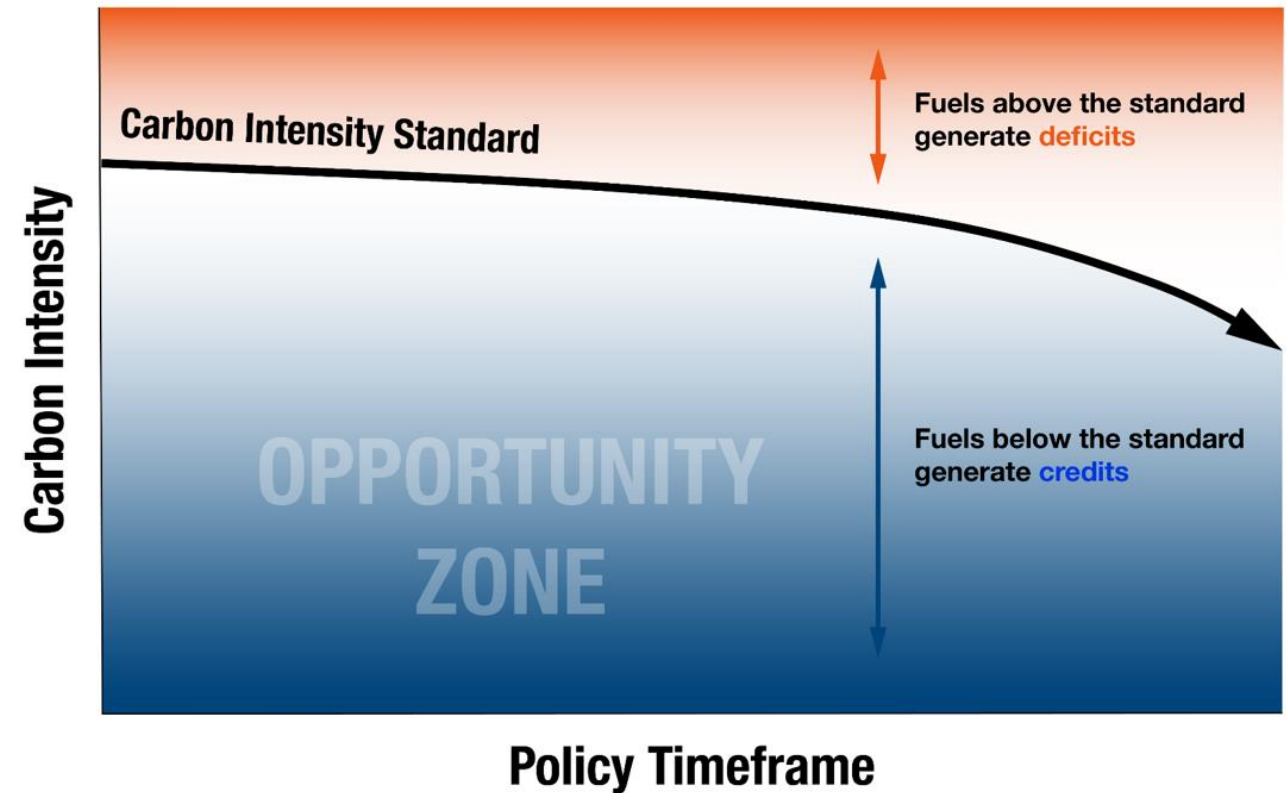


What is a Clean Fuel Standard (CFS)?

- A performance-based incentive program that reduces climate pollution from ALL fuels (e.g., gas/diesel, biofuels, electricity)
- Based on lifecycle carbon accounting
 - Material extraction > processing > manufacturing > distribution > use > maintenance > disposal/recycle
- Assigns a carbon intensity (CI) score to all fuels; credits below, deficits above

How LCFS works

- Set a CI target level that decreases over time
- Fuel wholesaler (e.g., refiner or utility) or blender manages credit balance
- Buy/sell directly from/to other credit holders



How to reduce carbon intensity: Examples

Refinery

- Energy efficiency upgrades
- Capture carbon from refining

Ethanol facility

- RNG to dry grains
- Capture carbon from fermentation tanks

Electric utility:

- Deliver more renewable energy to EV charging customers

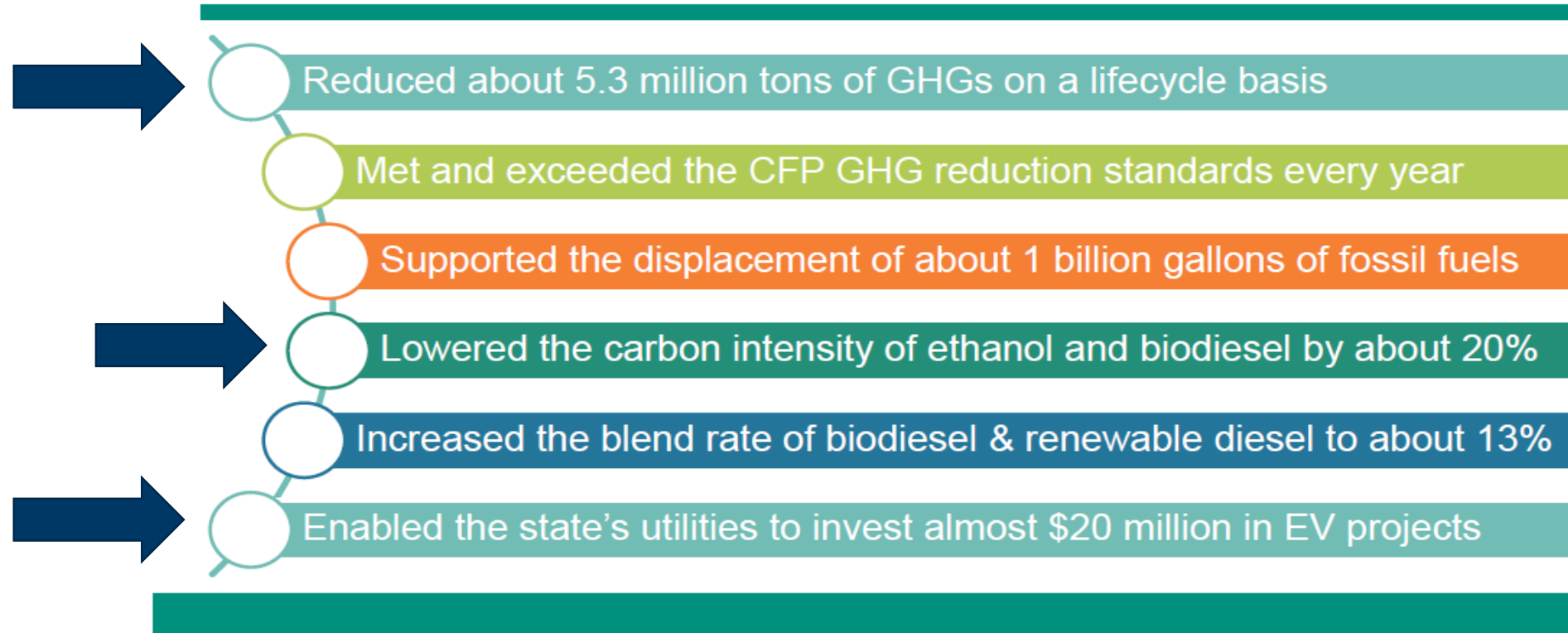
Farmer:

- Cover crops and/or no-till practices to reduce GHG losses
- More biodiesel in equipment

National Landscape

- California (2011), Oregon (2016) Washington (2021)
- Others considering/legislation proposed: CO, NY, NM
- Midwest:
 - MGA – Midwestern LCFS Working Group (2009-2010) Chaired by then IA Secretary/USDA Undersecretary) Bill Northey
 - *A Clean Fuels Policy for the Midwest* – led by GPI (2020)
 - Future Fuels Act (2021)

Since 2016, the Clean Fuels Program has...



Opportunities for Co-Benefits


Designed by Minnesotans for Minnesotans

Cleaner water and soil health

- Forever Green
- Minnesota Ag Water Quality Certification Program


Improve equity

- Air quality and public health benefits



Forever Green Initiative
Developing New Crops for

- High efficiency agricultural systems
- Improved soil and water quality
- New economic opportunities for farmers, industry, and rural Minnesotans

 College of Food, Agricultural and Natural Resource Sciences
UNIVERSITY OF MINNESOTA

Guiding Discussion Questions

- Overall questions or thoughts?
- What opportunities exist for a CFS?
- What are your fears or concerns related to a CFS?
- What principles would you like to see in a CFS?
- What principles would you not like to see in a CFS?
- Do you see any gaps or barriers to advancing your priorities?
- What other issues should be considered?

- Do we want another meeting?
- Next Steps:
- Visit our website for updates:
 - <https://www.dot.state.mn.us/sustainability/clean-fuel-standard.html>
- Please share feedback or thoughts

Thank you!

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