January 5, 2022

To: Tim Sexton, MN Department of Transportation
Andrea Vaubel, MN Department of Agriculture

RE: MN Clean Fuels Standard Principles

We welcome the opportunity to submit comments on principles to guide the development of a Minnesota Clean Fuels standard. We thank the Walz Administration for its efforts to solicit public input and holding numerous stakeholder meetings.

The Institute for Agriculture and Trade Policy is based in Minneapolis and has worked on rural, agriculture and environmental policy for more than 35 years. Over the last seven years we have held a series of Rural Climate Dialogues throughout Minnesota to develop rural-based responses to the climate crisis. These dialogues and our ongoing work inform the comments below.

We urge the Governor to follow these principles in considering a state Clean Fuels Standard for Minnesota:

Meet the urgency of the climate crisis

The United Nations Intergovernmental Panel on Climate Change (IPCC) report last year concluded that sharp emissions cuts are needed in the next decade to prevent the worse effects of climate change.[1] At the Conference of the Parties 26 meeting in Glasgow in November 2021, the U.S. and other nations committed to reducing carbon dioxide emissions by 45 percent by 2030, based on 2010 levels.[2]

A Clean Fuels Standard needs to set targets consistent with the scientific imperative outlined by the IPCC and the U.S. 2030 commitments. We suggest any CFS should set a strong and clear 2030 target, and include interim two year targets to chart progress and make adjustments as needed to ensure the policy is working. One of the major weaknesses of existing climate policy has been targets set too far into the future and the absence of interim stocktaking to set accountability and make appropriate adjustments.

[1] https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM_final.pdf

[2] https://unfccc.int/sites/default/files/resource/cop26_auv_2f_cover_decision.pdf

"Clean" should not only include climate

While a CFS should appropriately target climate-emissions, it should not be so narrow in its goals that it creates other environmental and social problems for the state. For example, the state is reckoning with an alarming 2,900 impaired waterways.[3] Much of that impairment is linked to chemically-intensive conventional row crop systems and large-scale concentrated animal feeding operations (CAFOs). A CFS that favors the expansion of corn-based ethanol or biogas from methane digestors at large-scale animal facilities, would likely lead to additional water and air pollution in the state. In addition, a CFS that expands corn ethanol production or CAFOs would lead to a further rise in other potent GHGs, like nitrous oxide linked to nitrogen fertilizer use and methane linked to animal and associated manure production. Any CFS policy should account for potential impacts on water, air and biodiversity in the state.

There are also social and economic considerations, particularly for rural Minnesota. Over the last several decades the state has experienced the steady loss of farmers, further consolidation of farmland ownership, and rural de-population. The consolidation of farmland ownership is linked to expanded commodity crop production and the CAFO system of animal production. It also is connected to rising farmland prices, the emergence of outside investor owners, and difficulties for beginning farmers to access farmland. Any CFS should consider the implications for current and future farmers and the state's rural communities.

Ensure equity

Climate policies that have used market based credit systems have been highly criticized for essentially allowing polluters to buy their way out of reducing emissions. Air pollution in the U.S. and Minnesota is disproportionately located in low-income communities and communities of color.[4] The California Low Carbon Fuel standard is under increasing scrutiny for allowing continued air pollution in communities of color.[5] It is not enough to simply direct funds generated by credits to affected communities. Any CFS must also reduce air pollution in those communities. Whether a CFS is accomplishing this goal should be central to the interim stocktaking process.

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[3] https://www.pca.state.mn.us/water/minnesotas-impaired-waters-list

[4] https://www.pca.state.mn.us/air/disproportionate-impacts-minnesota#:~:text=Environmental%20justice%20has%20many%20layers,health%20effects%20of%20those%20exposures.

[5] https://leadershipcounsel.org/climate-credits-for-factory-farm-gas-violate-civil-rights-fail-to-achieve-climate-benefits-states-petition-submitted-to-carb/

Place a CFS within larger Climate Agenda

A CFS is but one element of the more comprehensive climate strategy the state needs. Other states with a CFS, such as Washington, Oregon and California – have much more multi-faceted and comprehensive climate policies and targets than Minnesota. Any CFS should be considered within the context of other state climate policies that target emissions from other sectors. Perhaps more importantly, a CFS should fit within a state plan to support a just transition toward a less emitting, cleaner economy throughout Minnesota. This is particularly critical for our agriculture sector, which is tied closely to the corn ethanol industry, which could experience a significant decline with the expected emergence of electric vehicles. The CFS should be accompanied with a strategy and support to diversify Minnesota's agriculture economy to become less reliant on corn-based cropping systems. The CFS should also be considered within the context of a state-focused climate resilience strategy, including a more resilient agriculture and food system.

Thank you for the opportunity to submit these comments and for the public input sessions the state is holding. IATP is happy to answer any follow-up questions related to these comments.

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