

CLEAN ENERGY MINNESOTA

Securing Energy Independence

News Release

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NEXT GENERATION BIOFUELS TO POSITION MINNESOTA AS LEADER IN EMERGING INDUSTRY

Biofuels Legislation Is One of Four Clean Energy Minnesota Initiatives

SAINT PAUL (Feb. 12, 2007) – Farmers, conservationists and business leaders today joined with state legislators to announce support of comprehensive legislation that will change the way Minnesota generates biofuels.

The Next Generation Biofuels legislation, with chief authors Rep. Aaron Peterson, DFL-Appleton, and Sen. Gary Kubly, DFL- Granite Falls, will continue the strong rural economic growth and jobs, which has occurred with corn-based ethanol. However, by transitioning to a mixture of native perennial prairie grasses, these new advanced biofuels will better protect Minnesota's water and wildlife habitat.

The biofuels legislation is one of four initiatives of Clean Energy Minnesota (CEM), a coalition of 12 energy and conservation organizations, which seeks to use Minnesotans' know-how, technological innovation and natural resources to help build a cleaner, healthier, and more energy-efficient future.

The Next Generation Biofuels legislation (SF480/H.F.589) will provide incentives for:

- Farmers to grow a supply of perennial native grass (or cellulosic) energy crops in a sustainable way
- Existing energy facilities to accept these crops for heat and power production
- New "next generation" facilities that convert these crops to liquid fuels

The bill calls for \$28 million in incentives and research, plus funds for additional facilities as they become operational.

"Minnesota is uniquely positioned to be at the forefront of this emerging industry," said Diane Jensen, executive director of The Minnesota Project, and one of the members of Clean Energy Minnesota. "Done correctly, advanced biofuels will not only move us towards greater energy independence, but can also reduce global warming pollution, improve water quality, expand wildlife habitat and drive broad based rural economic development."

The United States now has the capacity to produce 5.5 billion gallons of ethanol per year, with an additional capacity for 6 billion gallons per year under construction or planned for expansion. If all planned facilities are completed, the ethanol production would still be only a small percentage of nation's current gasoline consumption. Advanced

biofuels made from cellulosic grasses can propel the biofuel production potential to 60 billion gallons per year.

“Local ownership of processing facilities will be the key to success for our rural communities,” said Sen. Kubly. “Benefits begin on the land and then perpetuate all the way down Main Street. Cellulosic ethanol represents the best opportunity for replacing petroleum with a renewable homegrown fuel while providing local and national economic and conservation pay-backs.”

“We can be national leaders in advanced biofuels while achieving multiple goals: renewable, domestic energy production; local jobs; transformation of our agricultural landscape; water protection; increased wildlife habitat on working farm lands; and carbon sequestration and reduced carbon emissions - all in one package,” said Rep. Peterson.

Also attending the news conference in support of the advanced biofuels initiative were Jim Falk, farmer from Murdock, MN and owner of Falk Seeds, which deals in native grass seed; and Paul Kramer, president of Koda Energy, LLC. Falk is a leader in the Land Stewardship Project and Clean Up the River Environment, both CEM organizations. Koda Energy is a partnership between the Shakopee Mdewakanton Sioux Community and the Rahr Malting Company to produce biomass energy.

“This bill is to take Minnesota into the next generation of biofuels - beyond corn. Our bill embraces perennial grasses, which recent studies show have the greatest potential for new energy for the least amount of fossil fuel inputs,” said Falk.

“In order to ensure that biofuels retain their ‘green’ attributes, advanced energy crop development should be introduced in conjunction with sustainability standards for their growing, harvesting, and processing,” said Don Arnosti of the Institute for Agriculture and Trade Policy. “Stewardship criteria must be integrated from the beginning so that these energy crops will provide the expected environmental and local community benefits that they have the potential to deliver.”

The first hearing on the biofuels legislation is scheduled for Feb. 20 in the Senate Agriculture Committee.

In addition to Next Generation Biofuels, Clean Energy Minnesota also seeks:

- A strong Renewable Electricity Standard
- Global warming solutions
- Energy efficiency measures

For more information, go to www.cleanenergyminnesota.org

Clean Energy Minnesota is a collaborative of Center for Energy and Environment; Clean Water Action Alliance of Minnesota; Clean Up the River Environment; Fresh Energy; Institute for Agriculture and Trade Policy; Izaak Walton League of America–Midwest Office; Land Stewardship Project; Minnesota Center for Environmental Advocacy; Minnesota Project; Sierra Club North Star Chapter; Union of Concerned Scientists; Wind on the Wires and Windustry.

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