

March 1, 2024



Members of the Senate Transportation Committee:

Minnesota Center for Environmental Advocacy (MCEA) thanks you for taking up SF 2584 (Dibble) for discussion. While MCEA is neutral on the bill at this time, the Clean Transportation Standard (CTS) offers a potentially promising approach to reducing the climate impact of Minnesota's transportation sector. Transportation is a significant contributor to Minnesota's greenhouse gas emissions, and new ideas are sorely needed. We hope the committee will hear and advance this bill. MCEA remains engaged with proponents and opponents with the goal to create a bill that maximizes the benefits to our climate while avoiding pitfalls that a complex legal system like a CTS can pose.

**MCEA's neutrality on this bill at this stage is a recognition that a Clean Transportation Standard offers both great promise if designed well and great peril if designed poorly.** A well-designed CTS could be a critical tool in addressing the climate impacts of transportation. But it also poses great peril if designed badly, if key protections are stripped out of the law, or if poor decisions are made during rulemaking. There are several areas where the design of a CTS in statute and rule determines whether it will be helpful or harmful.

- **First, a CTS must not incentivize the use of captured CO2 for enhanced oil recovery.** Line 7.25 of the delete-all amendment includes "other permanent sequestration technique," which could include the use of captured CO2 for enhanced oil recovery elsewhere.
- **Second, a CTS should not incentivize land conversion to row crops and should include strong verification.** We are happy to see language in the bill that prohibits credits for crops grown on land converted in the last 5 years. However, extending this to 10 years would be a stronger guardrail, and verification of this provision, as well as provisions that incentivize the use of best soil health, fertilizer and cover cropping practices, require strong, farm-level verification that is currently lacking in this bill.
- **Third, a CTS should make reasonable assumptions backed by the most recent science about the relative carbon intensity of transportation fuels.** These assumptions can be distorted and concealed by complex models like GREET that are typically used to assess fuel carbon intensity values. To ensure these assumptions receive adequate scrutiny, a CTS should require that methods for calculating the carbon intensity of transportation fuels be reviewed in a robust rulemaking process.
- **Finally, revenues generated by a CTS must be targeted to benefit the communities most affected by transportation pollution.**

MCEA's experience with rulemaking tells us that complex legal systems like CTS are vulnerable to pressure. The devil is in the details. If this bill becomes law, there will remain much work to ensure that the rules adopted match the intent of the legislation.

As this important bill moves forward, it should be fully vetted and heard in the relevant committees. Because a CTS bill cuts across transportation, environment, and climate change, it may require several hearings, but developing a strong bill will require transparency and a commitment to dialogue with affected communities. We're glad to see this bill on that path, and encourage the proponents to continue to build the broad-based support needed for this bill to become law. Thanks again to Senator Dibble for authoring this important bill.

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