Minnesota’s Bioincentive Program

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Bioeconomy Legislation, 2015

• Producer payment program established for advanced biofuel, renewable chemical, and biomass thermal energy production.

• Minimum production levels required:
  • 237,500 MMBtu of advanced biofuel/quarter (that would be 312,000 gallons of ethanol);
  • 750,000 pounds of renewable chemical/quarter;
  • 250 MMBtu of biomass thermal energy/quarter.

• And requirements for reporting and biomass sourcing . . .

Switchgrass garden, Orville L. Freeman Building, St. Paul, MN
Payments

• Advanced biofuel:
  • $2.1053/MMBtu cellulosic;
  • $1.053/MMBtu starch/sugar;
  • Advanced ethanol 16¢/gal and 8 ¢/gal.

• Renewable chemical:
  • 6¢/pound cellulosic;
  • 3¢/pound starch/sugar;
  • Numbers based on biobutanol.

• Biomass thermal energy:
  • $5/MMBtu

• Caps:
  • Annual
    • Sugar/starch ~$3 million
    • Cellulosic ~$6 million*
  • Lifetime in program
    • Sugar/starch ~$30 million
    • Cellulosic ~$60 million*

* - there is a 20% bonus payment for using perennials and/or cover crops.
Eligibility

• Must be located in Minnesota
• Ten year period of access from entry; entry closes 2025
• Must source 80% of feedstock in MN, unless ≤ 50 miles from border and then . . .
• Minimum production level required for entry
• Eligibility not transferable to another facility
• If production ceases for any reason eligibility ceases until production resumes.
• Woody biomass has own sourcing requirements.

• Agricultural biomass sourcing requirements for advance biofuels including gradually increasing quantity of perennials/cover crops.

• Using perennials/cover crops allow for bonus payment for renewable chemicals/biomass thermal energy.

• Program language extends program through 2035.

• Program is funded during the odd year legislative sessions.

In the distance (but not that far away!): Project Liberty, Poet Bioenergy, Emmetsburg, Iowa
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