

DATE: August 30, 2023

TO: All Legislators

FROM: Senator Joan Ballweg
Representative Todd Novak

RE: Co-sponsorship of LRB-4240/1 and LRB-2853/1 relating to: Creating Fuel Blend Requirements for New Gas Stations, Providing Grants for Fuel Blend Compatibility Improvements, and Making an Appropriation.

Deadline: Friday, September 8, 2023 at 5:00pm

The Wisconsin biofuels industry is at a competitive disadvantage because of the massive subsidies given to promote electric vehicles and charging stations. According to the U.S. Energy Information Administration, Wisconsin ranks ninth in the country for fuel ethanol production capacity and produces almost 600 million gallons per year. This is more than twice the amount consumed in the state. Yet, Wisconsin has to import the coal and natural gas that powers electric vehicles from other states and Canada.

This bill supports Wisconsin's farmers and the state's biofuels industry by creating a program under the Department of Agriculture, Trade and Consumer Protection to provide matching grants to fuel retailers to upgrade their equipment so it is compatible with higher blends of ethanol and biodiesel. Existing and new locations are eligible to receive grants, except those that received any federal funds for the same project.

Wisconsin farmers will benefit, since ethanol provides additional value to their crop. According to the Renewable Fuels Association, a typical ethanol plant adds about 40% to every bushel of corn processed. Ultimately, Wisconsin consumers will also benefit by seeing cheaper prices at the pump when using ethanol-blended gas.

If you are interested in co-sponsoring, please reply to Sen. Ballweg's office (266-0751) or Rep. Novak's office (237-9151). We will add all co-sponsors to the Senate and Assembly bill, unless otherwise requested.

Analysis by the Legislative Reference Bureau

This bill requires new retail or wholesale fueling facilities that are built on vacant land to ensure that 1) all of the facility's equipment used to store or dispense gasoline is capable of storing or dispensing a gasoline-ethanol fuel blend that contains at least 25 percent ethanol by volume; and 2) all of the facility's equipment used to store or dispense petroleum-based diesel fuel is capable of storing or dispensing a biodiesel fuel blend that contains at least 20 percent biodiesel by volume. The bill requires the Department of Agriculture, Trade and Consumer Protection to provide grants to such facilities for this purpose, in an amount of \$1,000 for each new dispenser or the increased cost to retrofit dispensers to meet this requirement, whichever is less. Such a grant may not be made to a facility that has received federal funds for this purpose. DATCP may not provide more than \$15,000 to any single facility. Under the bill, a facility that receives such a grant must provide, from each dispenser funded by the grant, a

gasoline-ethanol fuel blend that contains at least 15 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume.

The bill also requires DATCP to provide grants to existing retail or wholesale fueling facilities to allow the facility to be able to store or dispense a gasoline-ethanol fuel blend that contains at least 25 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume. Such a grant may be made in an amount up to 50 percent of the cost to the facility for any equipment or infrastructure installed or replaced for this purpose. Such a grant may not be made to a facility that has received federal funds for this purpose. Under the bill, a facility that receives such a grant must provide, from each dispenser funded by the grant, a gasoline-ethanol fuel blend that contains at least 15 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.