



To: House Tax Policy Committee Members  
From: Megan Tinsley, Water Policy Director, Michigan Environmental Council  
Date: May 15, 2024  
Re: Testimony re: House Bill 4847

Dear Chair Neeley, Majority Vice Chair Farhat, Minority Vice Chair VanWoerkom and members of the Committee:

The Michigan Environmental Council raises the following concerns regarding HB4847 because it provides incentives to increase the use of biofuels in our fuel supply. Decades ago, biofuels were intended to be a bridge to reducing Greenhouse Gas emissions and reducing reliance on foreign oil with the intent of developing advanced biofuels. Rather than moving toward advanced biofuels such as switchgrass, as a nation we continue to rely on corn ethanol and soy biodiesel to meet these original goals. These types of biofuels fail to help attain carbon reduction and present risks to the water and air quality of our state.

#### Water Quality

Fertilizer runoff contributes to water quality issues across the state, fueling algal blooms that can become toxic and threaten not only ecosystems, but also public health, drinking water supplies and the livelihood of those that depend on industries such as tourism and outdoor recreation. There are real, quantifiable costs to the downstream pollution resulting from agricultural runoff. A recent report shows that a family of five in Toledo pays an extra \$100 per year on their water utility bill because of the costs from the increased monitoring for toxic algal blooms and testing for and treating for the associated cyanobacteria in their drinking water supply<sup>1</sup>. Both Lake Erie and Saginaw Bay are listed as impaired for nutrients, the vast majority of which enter these water bodies from non-point agricultural sources.

Fertilizer runoff not only carries nutrients bound to soil to our local surface waters but can threaten groundwater that serves as drinking water sources as well. Nitrates move readily through the water table and are found at elevated levels in shallow groundwater of more than half of America's rural watersheds, according to the USGS<sup>2</sup>. Nitrates in drinking water pose significant human health risks.

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<sup>1</sup> <https://greatlakes.org/wp-content/uploads/2022/05/FINAL-COI-Report-051622.pdf>

<sup>2</sup> Union of Concerned Scientists.

## Air Quality

While biodiesel may offer benefits in terms of emitting some problematic compounds, it increases the formation of nitrous oxide<sup>3</sup>. Nitrous oxides likely contribute more to smog problems than Volatile Organic Compounds, and increases may push some regions into nonattainment zones for ozone standards<sup>4</sup>. Michigan areas with histories of ozone nonattainment include Berrien County, portions of Allegan and Muskegon Counties, as well as the seven-county area of Southeast Michigan. Elevated levels of nitrous oxides are problematic for those with chronic lung diseases and asthma.

## Carbon Footprint

A recent study shows that the carbon intensity of corn ethanol is no less than gasoline and it is likely at least 24% higher<sup>5</sup>. This results largely from land conversion to agriculture and the associated machinery emissions and release of carbon from the soil. There is ample evidence that demand for soy and other oils to produce biodiesel have led to significant deforestation abroad, leading to release of large amounts of carbon into the atmosphere. While HB4847 specifies that biodiesel producer tax credits apply only to biodiesel produced in this state, there is no language specific to the origin of the biodiesel to claim the credits available to retailers.

Rather than providing incentives to produce biofuels grown with high levels of fertilizers and pesticides thus risking continued water quality degradation across the state, we should be devoting resources to vehicle electrification goals and improved availability of public transit. Thank you for the consideration of these comments.

Sincerely,

Megan Tinsley  
Water Policy Director  
Michigan Environmental Council

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<sup>3</sup> *The downside of biodiesel fuel-A Review*. International Journal of Chemical and Biochemical Sciences. Waseem et.al. 2016.

<sup>4</sup> Clean Air Task Force: <https://www.catf.us/2018/10/more-ethanol-more-problems/>

<sup>5</sup> Environmental Outcomes of the US Renewable Fuel Standard. PNAS 2022 Vol. 119 No. 9.