

# **Attachment No. 14**

# MEMO



**TO:** South Dakota Lawmakers  
**FROM:** Concerned Landowners and Citizens  
**DATE:** January 25, 2023  
**SUBJECT:** EFFECT of CURRENT **SD EMINENT DOMAIN LAWS**

**Summit Carbon Solutions or SCS (Summit) and Navigator Heartland Greenway (Navigator)** are new private for-profit companies formed to **take advantage of massive lucrative 45Q Federal tax credits** (directly and indirectly), also known as corporate welfare. Their proposed carbon pipelines will be the largest and **longest CO2 pipelines ever constructed** in the United States. **Neither company has any previous building nor management experience in hazardous CO2 pipelines.** South Dakota will be the guinea pig for their experiment.

These hazardous pipeline companies are **using Ethanol plants as a shield and marketing ploy.** What they aren't telling you is that higher grain, particularly **corn, prices are a risk for hazardous CO2 pipeline company profits.** They don't want higher grain prices and there is no evidence at all that Ethanol plants, who are experiencing record profits without these pipelines, "need" them. Bottomline – South Dakotans' constitutional property rights should not be trampled on through Eminent Domain use for the profits of any private corporations.

Both Summit and Navigator **have publicly stated they will use Eminent Domain against landowners** who do not want a hazardous CO2 pipeline affecting their land forever. Navigator stated on the first page of their introductory letter to landowners that Navigator would "exercise the right of Eminent Domain."

There is **foreign investment and ties to foreign companies** in Summit, including a South Korean company SKE&S, which is related to SK Holdings, a company **fined over 70 million dollars for defrauding US military contracts.** The Department of Justice Documents show SK Holdings pleaded guilty in 2018 and again in 2020 to Government Fraud. Another case was listed as a settlement, while another is still pending. Navigator is funded by Blackrock which has **significant foreign ownership.**

**CO2 pipeline easements would be for perpetuity**—forever. They become an asset of the pipeline company and **could be sold to another entity,** including foreign parties—**without any veto by landowners.** The easements can also be used as collateral.

CO2 pipeline easements **become a liability for landowners who lose control** of what happens on the easement even though they **still pay 100% of the real property taxes** on the easement land. Liability insurance coverage for land with a hazardous carbon pipeline is a concern. Easement routes divide land making farming and future land use difficult.

Easements would give a **one-time payment to landowners with no provisions** for land which does not return to productivity due to **soil disruption, compaction and tiling damage.** There is no compensation for **land adjacent to the easement being damaged during a CO2 pipeline rupture,** maintenance and repair.

Change of ownership of the easement would not generate additional compensation for the landowner.

Landowners with hazardous CO2 pipeline easements will see a **decrease in land value from loss of production, safety and liability concerns and future development constraints** including building eligibilities.

Access to **Eminent Domain allows private for-profit companies to pressure (force) landowners** into signing easements that do not come close to fairly compensating the landowner, and more importantly, **forces one-sided legal terms on landowners with little or no ability to negotiate.**

There is no incentive for private for-profit companies to compensate landowners fairly or annually for use of their land similar to windmills. It is easier and more lucrative for such companies to use the Eminent Domain guaranteed by current SD state law.

Landowners are compelled to spend large amounts of their own money to defend what they already own when private for-profit companies access Eminent Domain to forcibly take land and use it to make large profits.

South Dakota recently signed a law making it illegal for municipalities to use Eminent Domain to take private land then sell it to another private party in order to increase tax revenue. **Current Eminent Domain law in SD allows private for-profit companies to just take land through easements** and make large profits without the municipal intermediary. They try to make this palatable by promoting questionable increased tax revenue.

*Anyone who cares about South Dakota property rights must support current Eminent Domain legislative efforts. Please support landowner led bills to return the power to we the landowners, taxpayers, and voters.*

For more information contact:  
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PHOTO: 7<sup>TH</sup> GENERATION PROPERTY OWNER

**L** Landowners United to Protect Property Rights

**E** Eminent Domain Reform to Protect Property Rights

**D** Defend Our Families to Preserve Our Children's Future

**R** Restrict Foreign Ownership of Private Land

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## Protecting our families. Preserving the future.

- Protecting our constitutional rights
- Stopping eminent domain abuse through strengthening South Dakota legislation
- Free of fear for the safety of all South Dakota citizens
- Conserve our personal property rights





# CO2 PIPELINE FACTS - WHAT YOU NEED TO KNOW



The size and scale of these pipeline networks makes them the **first of their kind**. Carbon dioxide (CO2) through a pipeline is concentrated at very high pressures - 2100 psi which is 2-3x higher than a natural gas pipeline. The construction of pipelines can wreck soil structure, disrupt drain tile, and have other serious and long-term impacts on the integrity and productivity of agricultural land.

## HAZARDOUS



- CO2 + water = carbonic acid which **eats through metal transport pipes**.
- While the air we breathe contains small amounts of carbon dioxide, (usually around 0.04%), concentrated CO2 is an **asphyxiant/intoxicant** – colorless and odorless – a silent killer.
- **CO2 exposure causes:**
  - 2% concentration: confusion, increased blood pressure
  - 8% concentration: nausea, vomiting
  - 10% and above: suffocation, death**



## UNTESTED



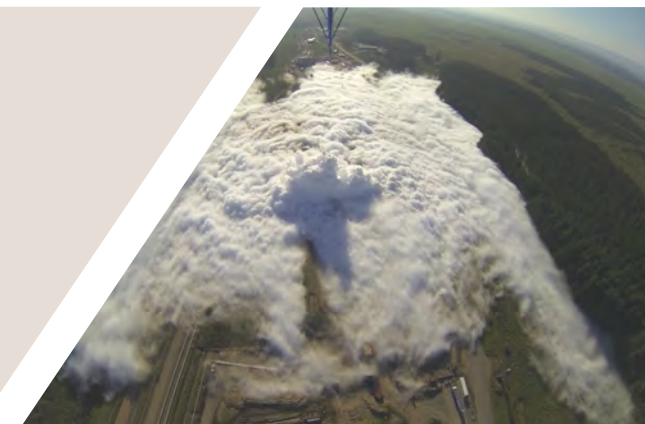
- It takes **15.6** 8" pipes to carry the volume of **one 24"** inch pipe.
- CO2 pipeline safety valves are proposed every 20 miles apart.
- A 24" pipe 20 miles long is enough CO2 to fill 1,880 Olympic size swimming pools.
- Pipeline **monitoring is done remotely** from out of state.
- US DOT Pipeline & Hazardous Safety Administration (PHMSA) regulates CO2 pipelines.
- PHMSA report (5/26/2022) - **current regulations DO NOT protect citizens**.
- New and updated PHMSA regulations due in fall of 2024



## DANGEROUS



- CO2 pipelines do **rupture and pose unique, significant safety hazards**.
- Response to ruptures requires specialized teams, equipment and vehicles.
- CO2 pipeline **incident rate currently is about twice that of natural gas**.
- A leak can open a CO2 pipeline like a zipper.
- CO2 leaks can threaten aquifers, wells, waterways, rivers.
- **Ruptures create a shrapnel** of dry ice, CO2 gas, dirt, rock, and pipe steel.
- One mile long 8" pipe rupture sends gas 197' high, 1,312' wide from pipe center\*
- A 12.5" pipe **rupture can travel 4.47 miles** from center.\*



\*controlled study



# Protecting our families. Preserving the future.

**L** Landowners United to Protect Property Rights

**E** Eminent Domain Reform to Protect Property Rights

**D** Defend Our Families to Preserve Our Children's Future

**R** Restrict Foreign Ownership of Private Land



# LEDNR

**LANDOWNERS**  
*for Eminent Domain Reform*



# Proposed Carbon Pipeline: What You Need to Know

- 1) Damaging to land and poses a **significant health and safety threat** to families and communities.
- 2) CO2 pipelines of this size and length **have never been built before.**
- 3) Carbon capture companies formed with **foreign investment** to capitalize on Federal US tax credits.
- 4) CO2 pipelines have a **track record of ruptures.**
- 5) Burden of oversight and **safety falls to the counties.**
- 6) Ultimately, little to **no impact on climate change.**





## Carbon dioxide through a pipeline is concentrated at very high pressures 2-3X higher than natural gas.

- CO<sub>2</sub> + water = carbonic acid **eats through metal transport pipes**
- Unlike the air we breathe, **concentrated CO<sub>2</sub> is an asphyxiant & intoxicant – an odorless, colorless, silent killer**

### CO<sub>2</sub> Exposure Impact:

CONCENTRATION	EFFECTS
~0.04%	Air we breathe
2%	confusion, increased blood pressure
8%	nausea, vomiting
>10%	suffocation, death







UNTESTED

**This type of CO2 pipeline has never been built before and would be the largest & longest ever constructed in the United States.**

- Very limited existing pipelines in US
- 229,287 total miles of hazardous liquid pipelines
  - 5,100 miles (~2.2%) of those are CO2 (most in the world)
  - Most are less than 100 miles
- Safety valves proposed every 20 miles
  - Leak can open a pipeline like a zipper
  - Leaks can threaten aquifers, wells, waterways, rivers
- It takes more than **fifteen** 8-inch pipes to carry the volume of **one** 24-inch pipe.
- A 20 mile long 24-inch pipe could fill 1,880 Olympic size swimming pools.



DANGEROUS

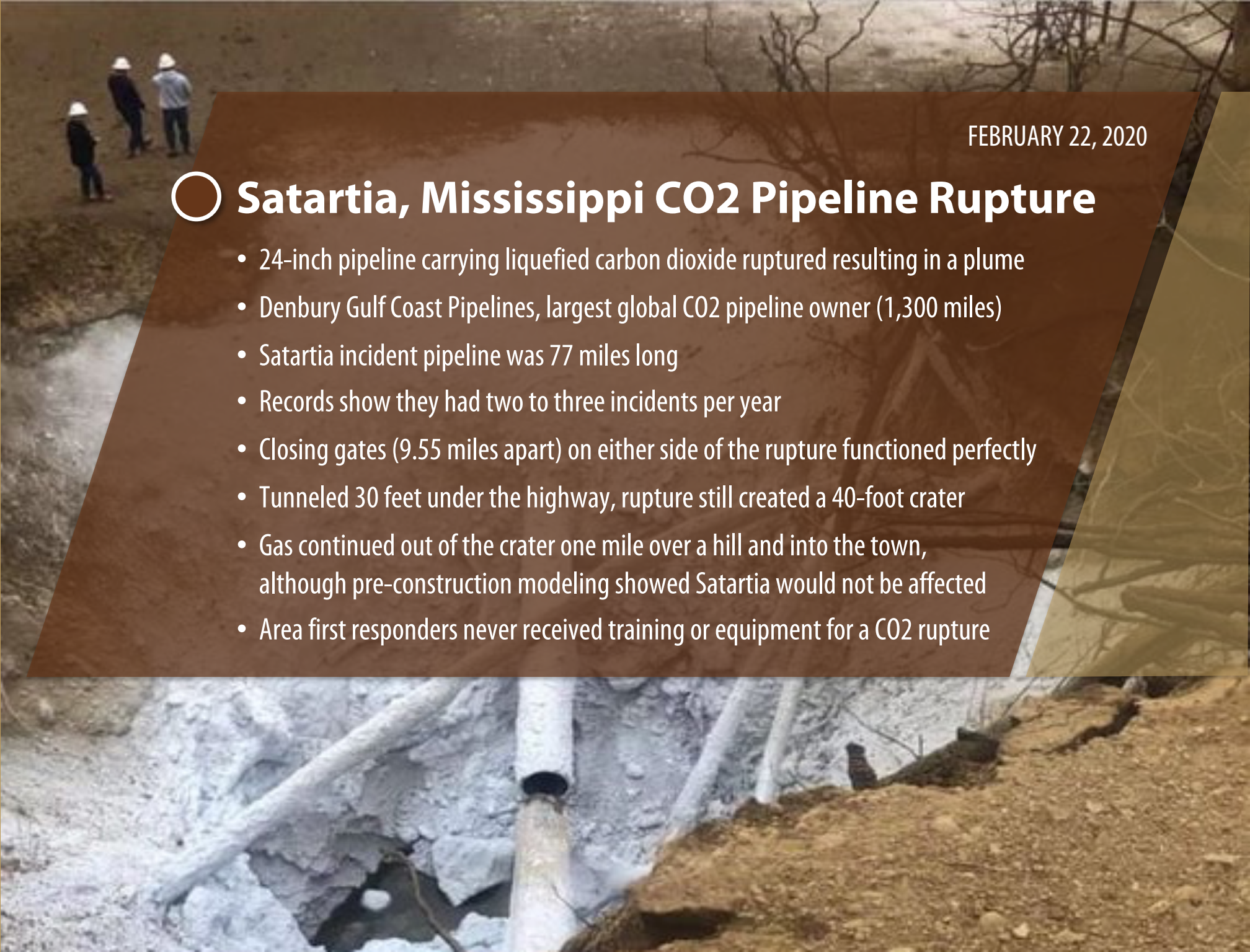


## CO2 pipelines have a history of rupture with devastating impacts to people, communities and the environment.

- Ruptures pose unique, significant safety hazards
- **Create a shrapnel of dry ice, CO2 gas, dirt, rock, and pipe steel**
- Incident rate currently is about **twice that of natural gas**
- One mile long 8-inch pipe rupture sends gas 197 feet high, 1,312 feet wide from pipe center
- 12.5-inch pipe rupture can travel more than four miles from center







FEBRUARY 22, 2020

## ○ **Satartia, Mississippi CO2 Pipeline Rupture**

- 24-inch pipeline carrying liquefied carbon dioxide ruptured resulting in a plume
- Denbury Gulf Coast Pipelines, largest global CO2 pipeline owner (1,300 miles)
- Satartia incident pipeline was 77 miles long
- Records show they had two to three incidents per year
- Closing gates (9.55 miles apart) on either side of the rupture functioned perfectly
- Tunneled 30 feet under the highway, rupture still created a 40-foot crater
- Gas continued out of the crater one mile over a hill and into the town, although pre-construction modeling showed Satartia would not be affected
- Area first responders never received training or equipment for a CO2 rupture



# Bankruptcy gives companies a quick and easy exit – leaving the burden to our government and landowners.

## SATARTIA, MISSISSIPPI – RUPTURE TO BANKRUPTCY LESS THAN SIX MONTHS 2020



- Bankruptcy can void terms of lease agreements
- Most affected people have yet to receive fair compensation for their injuries
- Most severely affected have become dependent on the state

# Burden of oversight and safety falls to the counties, and ultimately citizens.

- 1) Pipeline **monitoring is done remotely** from out of state.
- 2) Response to ruptures requires **specialized teams, equipment and vehicles.**
- 3) PHMSA's safety oversight **only includes design, construction, and operation.**
  - Report (5/26/2022) - **current regulations DO NOT protect citizens.**
  - New and updated regulations due **fall of 2024**

# Summit Carbon Solutions & Navigator Heartland Greenway

- New private for-profit companies.
- Formed to take advantage of lucrative 45Q Federal tax credits.
- Significant foreign investment and ownership.
  - Summit ties to South Korean company that pleaded guilty and fined multiple times for Government Fraud
  - Navigator is funded by BlackRock (foreign ownership)
- Neither company has experience in building nor management of hazardous CO2 pipelines.



# Significant risk with insignificant impact on climate change.

- 1) A much-promulgated 2020 Princeton University study calls for **65,000 miles of CO2 pipelines by 2050.**
  - 65,000 miles of pipeline could only move about 15% of current annual US CO2 emissions.
  - It would take **2.6 million miles** of new hazardous pipelines to have **any meaningful effect** on reducing emissions.
- 2) Since 2009 the Department of Energy has doled out **\$1.1 billion dollars to carbon** capture and sequestration demonstration projects for 6 coal plants.
  - Only one was built and started operating before closing in 2020. The process was **too costly in energy and water.**

**The current rush to build CO2 pipelines  
is due to the 45Q tax credits.**

*“We are getting ahead of ourselves  
on pipelines. For billions of dollars,  
you make smart people do incredibly  
stupid things.”*

**Richard Kuprewicz**

**INDEPENDENT PIPELINE SAFETY CONSULTANT**

Expert witness who has worked  
in the oil and gas industry since 1970's



*Stand with South Dakota Citizens.*

**Preserve our land.  
Prioritize our communities.  
Protect our people.**

*Thank you.*

**229,287** MILES OF **HAZARDOUS LIQUID PIPELINES** IN THE US.

**2X** MORE INCIDENT REPORTS THAN NATURAL GAS PIPELINES.

**5,100** MILES OF EXISTING **CO2 PIPELINES** IN US – MOST LESS THAN 100 MILES EACH.

**NO** **OVERSIGHT** OF CO2 PIPELINE ROUTES BY US REGULATION. IN SOUTH DAKOTA **IT IS THE COUNTY'S RESPONSIBILITY.**

**65,000** MILES OF CO2 PIPELINE WOULD **ONLY MOVE 15%** OF CURRENT **ANNUAL US CO2 EMISSIONS.**

**\$1.1B** SPENT BY THE DEPARTMENT OF ENERGY ON **CARBON CAPTURE PROJECTS SHUT DOWN AS TOO COSTLY ON ENERGY & WATER.**

# Footnotes:

- 1) A Review of CO2 Pipeline Infrastructure in the U.S., U.S. Dept. Of Energy, 4/21/15
- 2) A Roadmap to At Scale Deployment of Carbon Capture, Use and Storage, Chapter 6, Energy Equipment and Infrastructure Alliance
- 3) US DOT, Pipeline and Hazardous Materials Safety Admin., Office of Pipeline Safety, 5/26/22
- 4) Accufacts' Perspectives on the State of Federal Carbon Dioxide Transmission Pipeline Safety Regulations as it Relates to Carbon Capture, Utilization and Sequestration within the US. Prepared for the Pipeline Safety Trust, 3/23/22
- 5) Who's Afraid of a Carbon Capture Pipeline, Sierra, 7/3/22
- 6) CO2 Pipelines and Carbon Capture: The Satartia, MS Investigation, Climate Investigation Center, 8/30/21
- 7) Denbury, Inc. Website
- 8) Plans to Capture CO2 from Coal Plants Wasted Federal Dollars, The Verge, 12/30/21