

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION BY SCS CARBON TRANSPORT LLC FOR A PERMIT TO
CONSTRUCT A CARBON DIOXIDE TRANSMISSION PIPELINE

SD PUC DOCKET HP22-001

PRE-FILED DIRECT TESTIMONY OF ERIC BAUKOL
ON BEHALF OF REDFIELD ENERGY, LLC

June 16, 2023

1 **Q. Please state your name and business address for the record.**

2 **A.** Eric Baukol

3 Redfield Energy

4 38650 171st Street

5 Redfield, SD 57469

6 **Q. Can you briefly describe your education and work experience.**

7 **A.** I graduated from Montevideo Senior High School in Montevideo MN, earned my bachelor's
8 degree in Agricultural Education from the University of Wisconsin- River Falls, and earned my
9 master's degree in business administration from Southwest Minnesota State University.

10 After college I worked as a Series 3 licensed commodity broker for CHS in their Inver Grove
11 Heights Headquarters before working as a Farm Marketer for Cargill, an elevator and feed
12 mill location manager for Canby Farmer's Grain in Canby MN, and a Risk Manager for Granite
13 Falls Energy in Granite Falls MN. I am currently CEO of Redfield Energy in Redfield, SD. I have
14 also served as the Ethanol Advisory Team Leader for the US Grains Council, Board Member
15 for the Renewable Fuels Association, and Secretary of the South Dakota Ethanol Producers
16 Association.

17 **Q. Can you describe your professional experience in the ethanol industry, including your
18 current duties in the position the manager for Redfield Energy?**

19 **A.** For 12 years I was the risk manager for Granite Falls Energy in Granite Falls Minnesota. In
20 that role it was my job to manage our commodity risk and crush margin profile. This
21 included all corn purchases as well as natural gas and the sales of GFE's 3 products, ethanol,
22 DDGS, and Distiller's Corn Oil. Much of my role was to make sure that the company
23 remained competitive in the marketplace and that its products, mainly ethanol, were finding
24 their way to the most advantages markets. In my current role my #1 priority is to maximize

25 the company's competitiveness to protect and enhance the investment of Redfield Energy's
26 730 shareholders. This is done through overseeing our operations management, marketing
27 management, finances, and executing our company's long-term strategy.

28 **Q. Can you detail the local economic impact your facility has?**

29 **A.** Our company is processing just over 22 million bushels of local, truck delivered corn annually
30 which is being processed into approximately 65 million gallons of ethanol, 150,000 tons of
31 distiller's grains, a high value animal feed product, and 24 million pounds of distiller's corn oil
32 which is both an animal feed as well as a feedstock for biodiesel and renewable diesel. Our
33 local grain farmers benefit from having an end user outlet for their corn, which cuts out the
34 middleman in the supply chain. Our local livestock producers benefit from having a steady
35 local supply of animal feed, and our shareholders have benefited from an investment that
36 has appreciated in share value approximately 30% and has paid out nearly 150% of the
37 original investment in dividends back to the investors.

38 **Q. For what purpose do you appear in this proceeding?**

39 **A.** I am here in support of the Summit Carbon Solutions pipeline, and to help explain why it is
40 critical to our industry's efforts moving forward.

41 **Q. Can you provide the South Dakota Public Utilities Commission with a description on the
42 challenges the ethanol industry faces in the future?**

43 **A.** The challenges facing our industry truly are tremendous opportunities for our industry and
44 all the affiliated industries that we affect if we are able to seize the opportunities in front of
45 us. The world is looking to decarbonize the transportation sector and our product currently
46 represents a 50% reduction in carbon over gasoline with the potential to be a net zero
47 carbon solution in the near future. Our product would dramatically alter the carbon
48 emissions of the light duty vehicle fleet without forcing consumers to buy cars with unproven
49 technology and without the need for overhauling our entire transportation system. Ethanol

50 truly is a drop in place technology that is compatible with nearly every vehicle on the road
51 today, as well as our current fuel filling ecosystem.

52 **Q. How important is the ability to capture the carbon produced by your plant to the financial**
53 **viability of your operation?**

54 **A.** Using the Department of Energy's GREET carbon model, Redfield Energy's carbon intensity
55 (CI) score is currently in the low 50's (meaning a 50% reduction in carbon vs gasoline).
56 Carbon Sequestration will lower our score by approximately 30 points. This project, plus
57 some investments that we are making at the plant level and once our local farmers are
58 recognized for the carbon friendly farming practices that SD farmers already utilize like no till
59 farming our plant will have a carbon intensity of 0. Simply, with carbon sequestration we can
60 achieve our goal of Net Zero carbon emissions and be competitive in the energy market long
61 term, without it we will not be able to achieve that important strategic goal for our company
62 and our shareholders.

63 **Q. Do you have other viable options to capture the carbon produced by your plant other than**
64 **the sequestration plan Summit Carbon presents?**

65 **A. No.**

66 **Q. Is there anything else you want the Commission to be aware of as it considers the**
67 **application of Summit Carbon Solutions?**

68 **A.** Pipelines are proven to be the safest way to transport hazardous materials. Pipelines have
69 been around for decades, and the Federal Government has decades of experience, expertise
70 and resources to effectively regulate them. This pipeline will be far less hazardous than
71 other pipelines due to the nature of the commodity being transported. This pipeline
72 represents the future of our company and should be approved with language that
73 supersedes any regulations that have been put forth by county commissions that simply do
74 not have the resources or expertise to regulate pipelines.