

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 WALT WENDLAND
ON BEHALF OF RINGNECK ENERGY & FEED, LLC

June 16, 2023

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

2 **A.** Walt Wendland

3 901 Redwood Ave

4 Onida, South Dakota

5 **Q. Can you briefly describe your education and work experience in the ethanol industry?**

6 **A.** I presently serve as President/CEO/Chairman of Ringneck Energy, an 80 million gallons per
7 year ethanol facility located in Onida, South Dakota and I also am serving as President of the
8 South Dakota Ethanol Producers Association. Prior to this I served as President and CEO for
9 Golden Grain Energy near Mason City, Iowa from 2002 until May 2014 and Homeland Energy
10 Solutions near Lawler, Iowa from December 2008 until November 2014 with oversight of all
11 operations and activities with combined capacity of 275 million gallons of ethanol per year.
12 In addition to this past role in management within GGE and HES. I was also President of the
13 Iowa Renewable Fuels Association, and serve on the board of directors of Guardian Energy in
14 Janesville, Minnesota. I am active in helping guide the ethanol industry on local, state, and
15 national levels. I am a member of the Executive Committee of the National Renewable Fuels
16 Association and presently serve on the Board. I presently serve on the advisory board for
17 Ethanol Risk Insurance (ERI), a captive that provides property and liability insurance to over
18 80 Ethanol companies. I also serve on the board of directors of the Renewable Products
19 Marketing Group. Lastly, I serve on the editorial board of Ethanol Producer Magazine.

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

21 **A.** Ringneck Energy was formed on September 12, 2014, starting construction of an eighty
22 million gallon per year ethanol facility in September 2017 with production starting in April
23 2019. In 2022 we turned 28 million bushels of locally grown corn and milo into 80 million
24 gallons of ethanol, 350 thousand tons of wet and dry distillers grain with condensed solubles
25 equaling revenues of over \$253 million while employing 45 skilled employees.

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

27 A. I am here asking on behalf of Ringneck Energy and the ethanol industry in general that the
28 SD PUC recognize the value of this carbon sequestration technology and the benefits its
29 utilization will bring for the state. I support the current permit application of Summit Carbon
30 Solutions that allows the landowners and ethanol partners involved to continue moving
31 these projects forward.

32 According to the United States Department of Agriculture, corn production provides South
33 Dakota with a total value of more than \$4 billion. Why, because South Dakota is a business-
34 friendly state. Of course, ethanol is an important part of that equation, as our industry
35 purchases more than half of all the corn grown in our state. With sixteen plants, South
36 Dakota has become an ethanol production leader, ranking fourth in the nation, passing both
37 Minnesota and Indiana the past year. However, just 3% of the more than 1.442 billion gallons
38 of ethanol we produce annually is utilized within the state, making our industry reliant upon
39 outside markets for sustained value creation and growth. Many of our largest ethanol
40 markets, both domestically and internationally, increasingly demand lower or net-zero
41 carbon fuel options.

42 There is not another single option that is more helpful in producing a low-carbon fuel than
43 carbon sequestration. That is the opportunity that lies ahead with the commitments being
44 made to carbon capture projects. These investments in our infrastructure will allow ethanol
45 producers to reduce the carbon intensity of their products significantly and, in turn, ensure
46 access to higher-value markets for decades. Accessing these markets represents an
47 enormous, and in many ways essential, economic opportunity for the ethanol industry,
48 which is why nearly every ethanol company operating in South Dakota and across America's
49 Corn Belt has joined one of these projects.

50 Like other industries, ethanol producers have continued to invest and optimize their facilities,
51 bringing additional value to the local communities where we operate and the farmer
52 customers we serve. With ethanol contributing \$600 million to South Dakota's gross

53 domestic product every year, we believe the long-term economic benefits of carbon capture
54 projects are clear and overwhelming. A strong ethanol industry is good for South Dakota
55 farmers, South Dakota businesses, and South Dakota as a whole.

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

58 **A.** With the majority of our industry preparing to sequester their carbon, without a level playing
59 field we would lose our ability to compete. It is absolutely essential for the continued
60 financial viability of Ringneck Energy.

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

63 **A.** No. We hired Battelle to do a study of the area to see if there was any possibility to
64 sequester without the need for a pipeline and the closest possible area was 114 miles away
65 on the West side of the Missouri river. Being very rural with no industries in the area that can
66 utilize our Co2 Ringneck cannot compete with the ethanol plants that are closer to the
67 market. Those were the options that have been explored in the past and none of the options
68 were economically feasible.

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

71 **A.** The South Dakota Ethanol Producers have done an Economic Impact Study that shows:

- 72 • The carbon pipelines would drive an additional 217 million gallons of bioethanol in
73 South Dakota, creating an estimated increase of 77 million bushels.
- 74 • Increased demand would create an average increase to the corn basis of 19 cents per
75 bushel in South Dakota. Benefits for farmers delivering to bioethanol plants would
76 be the most profound.
- 77 • Increase the gross output of \$5.92 billion for the state of South Dakota over a 10
78 year period.

I have attached that study and incorporated it into my testimony as Exhibit 1.