

**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 NO. _____

**PRE-FILED DIRECT TESTIMONY OF DAVID DAUM
ON BEHALF OF SCS CARBON TRANSPORT LLC**

November 19, 2024

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

2 A. My name is David J. Daum. I am the Senior Director of Health, Safety, Security, &
3 Environmental (HSSE) for Summit Carbon Solutions, LLC (Summit) with a business address of
4 2321 N. Loop Dr., Suite 221, Ames, IA, 50010.

5 **Q. Please describe your educational and professional background.**

6 A. I received my Bachelor of Science degree in Occupational Safety and Health and a
7 minor in Environmental Health from Illinois State University in 1992. I received my Master of
8 Science degree in Industrial Management from Northern Illinois University in 1999. I am also a
9 Certified Safety Professional (CSP). I have 30 years of experience leading HSSE and
10 Operations for organizations in the heavy construction and oil & gas industries. I have led HSSE
11 and pipeline operations teams across the United States and abroad. I have also led integrity
12 management projects for BP Pipelines NA across 30 states and approximately 15,000 miles of
13 pipeline. Prior to my role with Summit, I was Director of HSSE and Carbon for BP Angola. My
14 statement of qualifications is attached as Exhibit 1.

15 **Q. What is the purpose of your Direct Testimony?**

16 A. The purpose of my testimony is to provide the Commission with information regarding: 1)
17 safety communications held with the public, emergency managers, and emergency responders;
18 2) Emergency Response Planning and the timeline for emergency response training for first
19 responders including the development of Initial Response Tactical plans; 3) Public Awareness
20 plans; 4) the Emergency Management Grant Program and discussions specific to equipment
21 needs; 5) regulatory requirements applicable to the project and experience incorporated from
22 past incidents; and 6) the Pipeline Safety Management system.

23 **Q. Please identify the sections of the Application that you are sponsoring for the**
24 **record.**

25 A. I am sponsoring the following portions of the Application:

- 26 • Section 2.3.2 – Abnormal Operations
- 27 • Section 6.3 – Community Services
- 28 • Section 6.5 – Other Impacts
- 29 • Section 7.2 – Monitoring of Impacts
- 30 • Appendix 9 – Draft Emergency Response Plan

1 **Q. Has SCS engaged with local Emergency Managers and First Responders?**

2 A. Yes, SCS employees have engaged extensively with emergency managers and first
3 responders across the footprint of this Project and will continue to do so. Table 40 of the
4 Application is a summary of SCS's engagement with county emergency managers.

5 **Q. How did you engage Emergency Managers and Emergency Responders?**

6 A. SCS personnel have reached out via phone, e-mail and by meeting with emergency
7 managers and emergency response personnel in person since the beginning of the Project and
8 will continue to do so.

9 **Q. With respect to in-person meetings, what can you share about these meetings?**

10 A. SCS personnel have had many meetings with county emergency managers, county
11 commissioners, and emergency response personnel in South Dakota. Among those meetings,
12 SCS met in person with county emergency managers and emergency response personnel
13 between March 2022 and October 2024. These meetings included 7 public safety tour
14 meetings, dispersion model meetings, meetings with emergency managers, and Local
15 Emergency Planning Committee (LEPC) meetings. See section 6.5.2 of the Application for more
16 details of these meetings.

17 **Q. Based on your experience, is the outreach that SCS has conducted with
18 emergency responders typical?**

19 A. No. Based upon my experience and knowledge, the amount of outreach that SCS has
20 conducted to date already exceeds that of other pipeline projects at similar stages of project
21 development, and there will continue to be additional outreach and engagement with more than
22 two years before operation.

23 **Q. Can you explain the process by which the Emergency Response Plan will be
24 completed?**

25 A. Yes. Pipeline safety, including emergency response plans, is regulated by the United
26 States federal government. Specifically, Pipeline Hazardous Material and Safety Administration
27 (PHMSA) has the authority to administer a comprehensive national pipeline safety regulatory
28 and enforcement program.

29 Requirements for emergency response plans are set out in 49 CFR Part 195. The
30 purpose of the Emergency Response Plan (ERP) is to provide guidance for a quick, safe, and

1 effective response in an emergency to protect the public, first responders, SCS's workforce, and
2 the environment. SCS's finalized ERP will meet or exceed the federal requirements. SCS is
3 committed to implementing the best available guidance for projects of this type and to
4 incorporate industry best practices in the ERP and related safety management system plans
5 and procedures. The draft ERP is provided as Appendix 9 of the Application.

6 SCS is committed to continuing to meet with emergency managers and first responders
7 to ensure we provide all information necessary for emergency preparedness. To that end,
8 development of the ERP is an important process and will be undertaken at the appropriate
9 times. At this stage in the process, with construction yet to begin and operations planned for
10 2027, SCS continues to evolve the ERP in draft form. As the pipeline is closer to being placed in
11 service, the ERP will be fully built out by SCS. Although not required by PHMSA, SCS will take
12 the extra step of preparing Initial Response Tactics (IRTs) that will be the specific plan for a
13 response that is applicable to each mile of the pipeline. The IRTs provide specific details for how
14 a response should proceed, including what roads may need to be closed, what homes and
15 businesses are in the area so that responders know where to go, how to contact people, and
16 how the CO₂ may disperse in that area.

17 **Q. Why hasn't SCS prepared all the IRTs and fully completed the ERP yet?**

18 A. As noted above, the IRTs depend upon several factors that could change before the
19 pipeline is placed in service and are developed with the assistance of first responders during
20 training sessions to draw on their first-hand knowledge of the areas around the route. At this
21 stage, it would be premature to draw upon the first responders' time and resources to develop a
22 plan this far ahead of pipeline operations.

23 SCS commits, unequivocally, to continue to collaborate with emergency response
24 personnel throughout South Dakota to extend the educational process as we move toward
25 further development of the final ERP and IRTs. This will include the completion of the IRTs
26 during the training sessions and then going through tabletop exercises with the first responders
27 and SCS personnel based upon the IRTs. SCS further commits, unequivocally, to ongoing
28 efforts to ensure that emergency response personnel throughout South Dakota who may be
29 called upon in the event of an emergency are prepared to do so.

30 **Q. Will SCS continue to keep the public informed after construction is completed?**

1 A. Yes. SCS plans to continue engaging the public throughout the life cycle of the Project
2 and operations. Additionally, PHMSA regulates public awareness programs under 49 CFR Part
3 195.440 and requires that the operator's program follow the general program recommendations
4 of American Petroleum Institute (API) RP 1162 and assess the unique attributes and
5 characteristics of the operator's pipeline. SCS will meet or exceed those requirements.

6 **Q. What are the general requirements of the Public Awareness program?**

7 A. The Public Awareness program will focus on 3 main objectives:

- 8 1. Raising or enhancing the stakeholder audience's awareness of the presence of pipelines
9 in their communities and providing accurate information about the hazards that pipelines
10 may pose.
- 11 2. Assisting or helping stakeholder audiences understand how to prevent pipeline
12 emergencies.
- 13 3. Assisting or helping stakeholder audiences understand how to respond to potential
14 pipeline damage and/or a pipeline emergency.

15 **Q. Why is public awareness important?**

16 A. Keeping the public informed is essential to the success of any project, especially one as
17 significant as the MCE Project. SCS is committed to transparency, which is why we will develop
18 and implement a comprehensive Public Awareness Program.

19 This program will ensure that landowners, the general public, emergency and
20 governmental officials, and excavation contractors are informed about our project and
21 understand how to stay safe around our pipeline. We will ensure that everyone knows the role
22 they play in maintaining the safety of the pipeline and that we keep an open dialogue to address
23 questions and concerns.

24 Pipelines are the safest way to transport CO₂, and we want to make sure that the
25 communities we operate in are confident and informed every step of the way.

26 **Q. Has SCS inquired about equipment needs with local emergency responders?**

27 A. Yes, we have. We have also explained that SCS has a grant program that will provide
28 funding for specific equipment needs. Some county emergency managers have already
29 provided SCS with their anticipated equipment needs.

30 **Q. Can you explain SCS's Grant Program?**

1 **A.** Yes, SCS will provide a grant to each county that will be crossed by the Project. SCS will
2 work with emergency managers and first responders along the route to allocate these funds
3 based on their individual needs. These funds will be in addition to CO₂ and O₂ monitors (which
4 will be provided to first responders in each county the pipeline passes through) and other
5 equipment provided by SCS. The grant will be \$50,000, plus an additional \$1,000 per mile of
6 pipeline in each county. The funds will be disbursed once all requisite federal, state, and local
7 permits for the construction of the pipeline are secured. In addition to this grant, SCS will
8 continue working with emergency managers and first responders to identify and support
9 response equipment needs.

10 **Q. What regulatory requirements will SCS follow to ensure the health, safety, and**
11 **security of the public, emergency responders and its workforce? Also, how will SCS**
12 **protect the environment?**

13 A. SCS is regulated by the PHMSA, which has authority to administer a comprehensive
14 national pipeline safety regulatory and enforcement program. Under the Pipeline Safety Act, 49
15 USC 60101 et seq., Congress has given PHMSA authority to administer a comprehensive
16 national pipeline safety regulatory and enforcement program. Under this program, PHMSA has
17 the prerogative to audit and review the pipe manufacturer, pipe design, construction
18 specifications, and procedures as they relate to regulatory requirements, inspect the execution
19 of the construction, and confirm post construction acceptance testing, and review the operations
20 plans and procedures prior to operating the system. SCS is planning to meet or exceed
21 regulatory requirements in all facets of MCE Project development, construction, and
22 operation. The extensive work completed to date, including dispersant modeling, risk
23 assessment, design decisions, emergency response planning, and integrity management,
24 underpins SCS's commitment to safety.

25 Other federal and state regulatory bodies and their applicable requirements, all of which
26 will be followed by SCS for the Project, are identified in Table 2 of the Application.

27 **Q. Has SCS incorporated experience from previous CO₂ pipeline incidents?**

28 A. Yes. SCS employees, including me personally, have reviewed the PHMSA investigation
29 report from the Denbury Pipeline Incident in Satartia, MS, attended a lessons learned session
30 from the Denbury Pipeline Sulphur, LA pipeline incident, and attended a CO₂ training session at
31 the Texas A&M Engineering Extension Services (TEEX) facility at Texas A&M University, where
32 the Yazoo County, MS Emergency Manager and the VP of Operations for Denbury Pipeline

1 shared lessons learned. SCS has incorporated all of that experience into the MCE Project.
2 That experience has resulted in enhancements to geotechnical hazard surveys, dispersion
3 modelling, gasket materials, emergency response, and public awareness.

4 **Q. How will SCS ensure the health of the pipeline, the environment, and the safety of**
5 **the public, emergency responders, and its workforce during construction and operation**
6 **of the pipeline?**

7 A. SCS will have an industry-leading HSSE Management System aligned with API 1173.

8 **Q. What is the purpose of an HSSE Management System?**

9 A. The intent of the HSSE Management System is to establish a structured process and
10 disciplined approach to the identification and management of HSSE risks associated with the
11 MCE Project, its workforce, stakeholders, and the environment. This management system
12 provides the structure and the systematic approach to continuously operate safely and improve
13 safety performance throughout the project and during operation.

14 The management system approach to HSSE will provide the tools for SCS to:

- 15 • Identify hazards and controls consistently;
- 16 • Ensure that controls are systematic;
- 17 • Ensure that there is a process to fix system flaws and continually improve; and
- 18 • Demonstrate the relationships, roles, and responsibilities of all people and processes in
19 the system to ensure all personnel know SCS's HSSE vision, core values, beliefs, and
20 overarching policy, as well as what their part is in making those principles a reality.

21 **Q. What are the components of an HSSE Management System?**

22 A. The main components of the SCS HSSE Management System are:

- 23 • Leadership Commitment
- 24 • Risk Assessment & Management
- 25 • People, Training, and Competency
- 26 • Working with 3rd Parties
- 27 • Construction Integrity, Asset Operations & Maintenance
- 28 • Document Control & Records
- 29 • Community Awareness & Emergency Management
- 30 • Incident Investigation, Analysis & Lessons Learned

- 1 • Measuring & Monitoring
- 2 • Management Review & Improvement
- 3 • Program Evaluation

4 **Q. Does this conclude your testimony?**

5 A. Yes.

6

7 Dated this 19th day of November, 2024.

8

9 /s/ David J. Daum

10 *David J. Daum*