

**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 JAMES POWELL
ON BEHALF OF SCS CARBON TRANSPORT LLC**

November 19, 2024

1 **Q. Please state your name, employer, and business address.**

2 A. My name is James Powell. I am the Chief Operating Officer for Summit Carbon
3 Solutions, LLC (Summit). My business address is 2321 N. Loop Drive, Suite 221, Ames, IA
4 50010.

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

6 A. I received a Bachelor of Science in Engineering from Oklahoma State University. My
7 professional experience has predominantly focused on the design, construction, and operation
8 of energy related infrastructure projects both in the U.S. and internationally. Prior to working for
9 Summit, I worked for Kinder Morgan where I served as both Vice President (VP) of Projects and
10 Engineering, and the VP of Operations. As VP of Projects and Engineering, my responsibilities
11 included the development and execution of capital projects from concept to operation. As VP of
12 Operations, my responsibilities included the safe and reliable operation of Kinder Morgan's
13 liquid pipeline network (approximately 10,000 miles) and associated facilities throughout the
14 continental U.S. and southern Canada.

15 Prior to Kinder Morgan, I worked for Hiland Partners where I served as Executive VP
16 and Chief Operating Officer. My responsibilities included leading the projects, engineering, and
17 operations organizations to execute capital projects and ensure the safe and reliable operation
18 of Hiland's energy infrastructure assets. Prior to Hiland Partners, I worked for BP in various
19 project management roles leading the execution of major capital projects in the continental U.S.,
20 Alaska, Brazil, and the Middle East. My resume is attached as Exhibit 1.

21 **Q. What is your role with respect to the Project?**

22 A. I am responsible for the technical development, execution, commissioning, and start-up
23 of the Project. This includes the day-to-day management of experts and technical professionals
24 to execute the Project from concept through design, construction, and ultimately commissioning
25 and handover to operations. Post start-up, my responsibilities will transition to the safe and
26 reliable operation of the Project assets.

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

28 A. The purpose of my testimony is to: provide a comprehensive overview of the Project;
29 provide general information for the Applicant (SCS Carbon Transport LLC [SCS]); provide the
30 purpose of, demand for, and benefits of the Project; provide an overview of the Project's
31 potential impacts on communities within the Project footprint; provide information regarding the

32 Project cost and schedule; provide an update on SCS's efforts with landowners and other
33 stakeholders and resultant changes in the pipeline route; provide an update of expansion to
34 connect 8 additional ethanol plants in SD; and finally, provide information on SCS inability to
35 comply with the 6 county ordinances currently in place.

36 **Q. What exhibits are attached to your Direct Testimony?**

37 A. The following exhibit is attached to my Direct Testimony:

- 38 • Exhibit 1: Resume.

39 **Q. Please identify the sections of the Application that you are sponsoring for the**
40 **record.**

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

- 42 • Section 1 – Introduction
- 43 • Section 2 – Project Description
- 44 • Section 2.1.2 – Future Expansion and Other Industrial Facilities
- 45 • Section 2.3.3 – Decommissioning
- 46 • Section 3 – Demand for Facility
- 47 • Section 4 – Proposed Route and Alternative Routes
- 48 • Section 6.1 – Economic Impacts
- 49 • Section 6.6 – Amelioration of Potential Adverse Community Impacts
- 50 • Appendix 8 – Control Center Management and Leak Detection Overview
- 51 • Appendix 25 – SD County Setbacks

52 **Q. Please provide a brief overview of the Project.**

53 A. The Midwest Carbon Express (MCE) Project will be comprised of approximately 2,500
54 miles of pipeline that will have the capacity to transport up to 18.5 million metric tons per annum
55 (MMTPA) of CO₂ from 57 partner ethanol plants located in Iowa, Nebraska, Minnesota, South
56 Dakota, and North Dakota to proposed sequestration sites in North Dakota. Within South
57 Dakota, the MCE Project as proposed includes approximately 698 miles of 6-inch to 24-inch
58 nominal diameter carbon steel pipelines and 6 pump stations for transportation of CO₂ from 15
59 ethanol plants (hereafter referred to as the "Project"). The Project will cross 23 counties that
60 include Beadle, Brookings, Brown, Clark, Codington, Davison, Edmunds, Grant, Hamlin, Hand,
61 Hyde, Kingsbury, Lake, Lincoln, McCook, McPherson, Miner, Minnehaha, Sanborn, Spink, Sully,

62 Turner and Union counties across the eastern half of the state. The Project will also include
63 various above ground appurtenances such as launchers, receivers, and mainline valves and all
64 such appurtenances will be located within the 50-foot-wide permanent right-of-way (ROW)
65 centered over the pipeline allowing access for inspection and maintenance during operations.

66 **Q. Please describe the purpose of the Project.**

67 A. Sequestration of CO₂ captured from the ethanol production process will lower the carbon
68 intensity (CI) of ethanol which opens access for producers to low carbon fuel markets and other
69 commercial opportunities such as production of sustainable aviation fuel (SAF). Carbon
70 capture and sequestration (CCS) is the most effective and commercially viable solution to
71 significantly reduce the carbon intensity of ethanol. In addition, biogenic CO₂ can be used as a
72 feedstock to produce next generation fuels such as eSAF and in other industrial uses such as
73 water treatment and food processing. Ultimately, the Project greatly benefits South Dakota's
74 critical ethanol and agriculture industries, enhancing their long-term economic and
75 environmental sustainability. Without the Project, ethanol plants and GEVO (proposed SAF
76 facility) in South Dakota lack a viable option to capture and permanently store their CO₂
77 emissions because South Dakota does not have proven subsurface geologic formations
78 capable of economically storing the volume of CO₂ the plants produce. (U.S. Geological Survey
79 [USGS], 2013).

80 **Q. Please summarize the demand for the Project.**

81 A. South Dakota's critical agriculture and ethanol industries are two of the largest
82 contributors to the state's gross domestic product (GDP). South Dakota's 2024 corn crop is
83 expected to reach approximately 857 MM bushels, an increase over 2023 (DRGNews 2024).
84 Near record corn production coupled with decreasing crop prices is squeezing margins and
85 reducing farm incomes. South Dakota's ethanol facilities produce approximately 2 billion
86 gallons of ethanol annually (includes GEVO forecast) which represents approximately 35% of
87 the total U.S. production. The Project is the only viable way for South Dakota producers to
88 materially lower their CI enabling plants to sell their product at a premium in the number of
89 existing and emerging low carbon fuel markets. Without access, South Dakota ethanol
90 producers will be disadvantaged and likely unable to increase long-term demand which would
91 counteract the trend of lower corn prices and declining farm values. The Project provides an
92 advantage for ethanol producers that ensures greater economic resilience for South Dakota's
93 agricultural community.

94 GEVO is an example of a next generation fuel producer that will be developed in areas with
95 large agricultural production and its proposed Lake Preston Net-Zero 1 (NZ-1) facility, which is
96 expected to produce approximately 65 million gallons of SAF annually. GEVO's forecasted
97 production would be sourced from approximately 38 million bushels of locally produced,
98 sustainably grown corn. The NZ-1 facility opens new market opportunities for South Dakota corn
99 and livestock producers alike.

100 **Q. Please summarize the Project's benefits.**

101 A. As SCS's ethanol partners earn more for producing low-carbon renewable fuel, it
102 strengthens the economic prosperity and long-term viability of ethanol, and as a result, benefits
103 South Dakota's family farms and ultimately the entire state. The ethanol industry is the largest
104 consumer of South Dakota corn, consuming approximately 50 percent of South Dakota's corn
105 crop each year. A stable ethanol industry provides South Dakota's farmers with a reliable, easily
106 accessible market for their corn and underpins the value of South Dakota farmland. As
107 previously referenced, SCS is also currently developing opportunities to provide biogenic CO₂ to
108 a variety of industrial facility owners in South Dakota and surrounding states.

109 The Project will provide significant economic benefits to South Dakota, local
110 governments, communities, and landowners, including the following:

- 111 • Provides additional income to landowners whose land will be crossed by the Project in
112 the form of easement payments, while allowing the landowner to continue to farm the
113 easement area after construction. The easement payment includes compensation for
114 crop loss, use of the temporary construction workspace, and for SCS's permanent ROW
115 necessary to operate the Project.
- 116 • Creates an annual average of 1,086 construction-related jobs during the construction
117 period, resulting in a total labor income impact over the construction period of \$475.7
118 million and \$668.3 million in total value added to South Dakota's GDP.
- 119 • The 1,086 construction-related jobs estimate is based on an average of employment
120 over a seven-year period, beginning from the project's inception, which includes years
121 with fewer workers during planning, permitting, and early-stage development. However,
122 during the construction phase, which represents the most labor-intensive period of the
123 project, the workforce will peak at approximately 3,040 jobs. This peak reflects the
124 concentrated nature of construction activities, which will occur over a much shorter
125 timeline.

- 126 • Creates an opportunity for up to 40 direct-hire employees once the Project is
127 operational, resulting in approximately \$48.1 million to South Dakota's GDP and \$140.4
128 million in sales throughout the state. These full-time staff are expected to live within or in
129 proximity to the counties and townships in which the facility is located. The Project plans
130 to utilize union contractors which are obligated to locally source approximately 50% of
131 the construction work force.
- 132 • Generates increased revenue for local businesses during construction of the Project via
133 increased demand for lodging, food services, fuel, transportation, and general supplies.
- 134 • Generates personal income by circulation and recirculation of dollars paid out by the
135 Project as business expenditures and state and local taxes, as well as associated
136 increases to the local tax base.
- 137 • Diversifies economic development in the 23 Project counties and potentially spurs
138 economic activity via next generation fuels facilities in other counties within the footprint.
- 139 • In addition to direct payments to participating landowners, creation of jobs, and other
140 economic activity, the Project will also generate significant direct economic benefits in
141 the form of property tax revenue. Property taxes are projected to exceed \$17MM
142 annually.

143 **Q. What is the capacity of the Project?**

144 A. The Project will have the capacity to transport up to approximately 18.5 MMTPA of CO₂.
145 The forecasted volume originating from South Dakota ethanol producers is approximately 4.24
146 MMTPA.

147 **Q. What is the relationship between SCS Carbon Transport LLC and Summit Carbon
148 Solutions, LLC with respect to the Project?**

149 A. SCS Carbon Transport, LLC (SCS") is a wholly-owned subsidiary of Summit Carbon
150 Solutions, LLC (Summit).

151

152 **Q. What is the estimated cost of the South Dakota portion of the Project?**

153 A. The total estimated cost for the equipment and installation of the Project is \$1.35 billion
154 (South Dakota scope). Table 1 of the Application includes a breakdown of the estimated cost.

155 **Q. What is the anticipated schedule for construction and operation of the Project?**

156 A. SCS plans to commence construction of the Project in first quarter of 2026 and to
157 complete construction and place the Project into service in 2027. However, the start of
158 construction is contingent on receipt of all required permits and authorizations.

159 **Q. What temporary construction workspace will be required for the Project?**

160 A. The construction workspace will be up to 110 feet wide (for 24-inch diameter pipe
161 [mainline]) and 100 feet wide (for 6-12-inch diameter pipe [trunklines and laterals]), plus
162 additional temporary workspace (ATWS) as needed, to facilitate construction. All access
163 (temporary and permanent) will be secured via an agreement with respective landowners.

164 **Q. Are any future modifications or expansions of the Project currently planned?**

165 A. The MCE Project will have a total system capacity up to 18.5 MMTPA of CO₂ and the
166 MCE Project currently has approximately 16 MMTPA under contract. As a common carrier, the
167 Project has excess capacity that can be allocated to shippers for sequestration or other
168 industrial use. SCS continues to discuss commercial opportunities for industrial uses of CO₂;
169 however, there are no additional facilities contemplated as of the filing of this Application. If
170 future expansion associated with these commercial opportunities materializes, the additional
171 facilities would be considered as a separate development phase of the MCE Project and would
172 be permitted independently.

173 **Q. Who will design, construct, own, operate, and maintain the SCS Carbon Transport,
174 LLC Carbon Dioxide Pipeline (“Project”)?**

175 A. SCS Carbon Transport LLC (SCS) will design, construct, own, operate, and maintain the
176 Project.

177 **Q. What is the relationship between SCS Carbon Transport LLC and Summit Carbon
178 Solutions, LLC with respect to the Project?**

179 A. SCS Carbon Transport, LLC (SCS”) is a wholly-owned subsidiary of Summit Carbon
180 Solutions, LLC (Summit).

181 **Q. What other permits has the Project identified that it must obtain before
182 construction and operation of the Project?**

183 A. The Project has identified multiple permits and reviews it must obtain from various state,
184 local and federal agencies. These federal agencies include the U.S. Army Corps of Engineers,
185 U.S. Fish and Wildlife Service, the Pipeline Hazardous Materials Safety Administration

186 (PHMSA), the U.S. Department of Agriculture Farm Service Agency, and the Federal Highway
187 Administration. The Project also needs various permits or authorizations from the South Dakota
188 State Historic Society/ State Historic Preservation Office, South Dakota Department of
189 Agriculture and Natural Resources, the South Dakota Department of Transportation, and the
190 South Dakota Game, Fish, and Parks. SCS also intends to work with local governments
191 concerning crossing agreements, road haul agreements, and other permits where necessary.
192 More information regarding the specifics of each permit necessary and estimated application
193 date can be found in Table 2 of the Application.

194 **Q. Has SCS reviewed local ordinances when developing the Project?**

195 A. Yes.

196 **Q. Does the Project intend to ask the Commission to exercise its authority pursuant
197 to SDCL 49-41B-28 to preempt and supersede County Ordinances?**

198 A. Yes.

199 **Q. Which County Ordinances are you asking the Commission to preempt?**

200 A. There are six county ordinances enacted at the time of this testimony that SCS is
201 requesting the Commission preempt and supersede with its statutory authority. Those counties
202 are as follows: Brown, Edmunds, McPherson, Minnehaha, Sanborn, and Spink counties.

203 **Q. Can you generally explain why SCS is asking for preemption for these
204 ordinances?**

205 A. The Project crosses 23 counties in the state. Each of the six counties has its own
206 ordinance with its own requirements. Some are similar, some are not, and that makes it
207 challenging for a statewide Project such as this to develop a route and Project that is compliant
208 with each and every ordinance. If these ordinances are not preempted, these six counties
209 and/or the other seventeen counties within the SCS footprint could pass an ordinance at any
210 time up to receipt of a permit decision from the Commission. The lack of regulatory certainty
211 makes it impossible for an infrastructure project to complete design and plan construction with
212 confidence. The South Dakota Legislature empowered the Commission with siting jurisdiction
213 of CO₂ pipelines for this very reason. Each of these six counties mandate setbacks for various
214 locations in their counties, seemingly without the context or concern for other siting
215 considerations. Some of the setbacks make it physically impossible for the Project to be routed
216 in their county, the definition of a High Consequence Area deviates without explanation from

217 federal regulations, and some require approval of a Conditional Use Permit (CUP) at the sole
218 discretion of county officials. For example, in Brown County, the Zoning Board of Adjustment
219 has authority to disregard a landowner's voluntary setback waiver, with no ascertainable
220 standard for when that authority would be exercised. This broad authority retained by the county
221 leaves the Project without any reasonable manner of navigating the county process, let alone
222 any certainty about the likely result.

223 County regulations providing for orderly development and land use have their place.
224 They are beneficial to ensure economic development does not unsafely encroach on industrial
225 areas including infrastructure corridors. At the same time, many of the ordinances referenced
226 above go far beyond what is reasonably necessary for counties to regulate for legitimate
227 objectives and requirements have no technical or scientific basis. They burden the Project with
228 unreasonable setbacks, fees, and processes. The Project has developed and routed the
229 pipeline carefully, with consideration to both economic realities facing the Project as well as the
230 impact to the communities through which it passes, using analysis and techniques applied
231 regularly, and successfully, in the pipeline industry. As is evident from the political processes that
232 resulted in the enactment of these ordinances, they were not enacted to regulate all pipelines
233 generally, but appear instead to target CO₂ pipelines specifically. While a county may exercise
234 zoning authority to protect life and property and promote orderly development, the Commission
235 should consider the restrictions imposed by each of the six ordinances has the effect of
236 precluding SCS from routing the pipeline through the county. And to the extent that the
237 ordinances, when taken together, are not uniform, the Project's ability to route from one county
238 to the next, and to the ethanol plants intended to be served by the pipeline, is clearly and
239 negatively impacted and therefore relevant for the Commission's decision whether to exercise
240 its authority under SDCL 49-4B-28.

241 **Q. Has SCS met with the Counties to discuss their county ordinances?**

242 A. Yes. SCS has continuously worked with counties since the inception of the Project,
243 increasing its effort in September 2023 by presenting at numerous county commissioner
244 meetings, conducting approximately forty meetings with emergency managers and first
245 responders, and meeting with a variety of other county stakeholders.

246 **Q. Why can't the Project alter its route to comply with the ordinances?**

247 A theoretical route that is compliant with each county ordinance described above which
248 connects to each of our ethanol plant partners is simply not possible. For example, as discussed

249 above, it is impossible to route to the Glacial Lakes Aberdeen, Redfield Energy, Glacial Lakes
250 Mina ethanol plants.

251 Erik Schovanec's prefiled testimony should be referenced for more specific information
252 on how the county ordinances affect pipeline routing..

253 **Q. Will SCS notify Minnehaha, Brown, Edmunds, Spink, Sanborn, and McPherson**
254 **County of this request?**

255 A. Yes. SCS will notify each county of this request. In addition, SCS will, to the extent
256 possible, comply with each ordinance and its requirements as this Application and request is
257 pending.

258 **Q. Please discuss the personnel that will be involved in construction of the Project.**

259 A. The Project will create up to approximately 3,000 construction-related jobs during the
260 construction period. The construction spreads would include skilled labor, such as welders,
261 equipment operators, bending engineers, safety professionals, project managers, etc., as well
262 as unskilled laborers. SCS expects that construction contractors will hire a minimum of 50% of
263 the temporary construction personnel from local communities.

264 **Q. Does the Project plan to use union labor?**

265 A. Yes

266 **Q. Q. What has the Project done generally to work with landowners?**

267 A. Since the fall of 2021, the Project team has been working with landowners to ensure
268 they understand the scope of the Project, the construction process, Project benefits, Project
269 risks, and the Project's importance to that agriculture and ethanol industries. SCS has also
270 worked collaboratively with landowners to address needs and preferences on their respective
271 properties where possible. In the fall of 2023, SCS renewed its focus in South Dakota and
272 relocated 3 additional members of the Project team to work directly with stakeholders in
273 counties that enacted ordinances and implement reroutes. Although this effort is ongoing, the
274 Project has significantly improved landowner relationships in these counties and predominately
275 crosses landowners that support the Project.

276 **Q. Please discuss the personnel that will be involved in operation and maintenance**
277 **of the Project.**

278 A. The estimated number of direct jobs required to operate the system in South Dakota is
279 approximately 40 employees, who will be located within or in proximity to the counties and
280 townships in which the facility is located. Annual estimated expenditures on direct employment
281 for operations are anticipated to be approximately \$6 million and jobs are estimated to directly
282 produce \$48.1 million to South Dakota's GDP and \$140.4 million in sales throughout the state
283 per year and remaining the same for each of the first 10 years of commercial operation. Job
284 fields will include engineering, environmental, health and safety, field services, supply chain and
285 field operations.

286 **Q. Will the Project have any effect on the population and demographics of the Project**
287 **area?**

288 A. Project construction is expected to take 12-18 months for installation of the pipeline and
289 full restoration of the ROW. The influx of construction workers will be temporary and will not
290 impact populations or demographics long-term. The number of permanent employees
291 associated with Project operations will not negatively affect local populations or demographics.

292 **Q. Please describe the procedures that will be employed for inspections,**
293 **surveillance, and maintenance of the Project.**

294 A. During installation and pre-commissioning, the pipeline system will be subjected to
295 rigorous inspection and testing to confirm mechanical integrity and compliance with regulatory
296 requirements.

297 Prior to commencement of operations, SCS will develop operating procedures in
298 accordance with PHMSA requirements and train personnel to ensure compliance. The Project
299 will be operated from an Operations Control Center (OCC) that will utilize the best available
300 technology for data acquisition and control. There will be two OCCs (primary and secondary)
301 and the OCC will employ experienced and trained staff who will continuously monitor and
302 control pipeline operations 24 hours per day year-round. A Supervisory Control and Data
303 Acquisition (SCADA) system will communicate with all field sites and provide continuous, real-
304 time status from every facility and/or data collection point along the Project.

305 Additionally, maintenance procedures will be developed that will include regular
306 inspection and surveillance of the pipeline and appurtenances in accordance with requirements
307 set forth in 49 CFR Part 195. The pipeline ROW will be patrolled and visually inspected every
308 two weeks, weather permitting, and not less than 26 times annually. Aerial surveillance will

309 check for abnormal conditions including unauthorized activity such as disturbed soil, new
310 structures (fencing, trees, roads, etc.), and encroachment by third parties onto the ROW; and
311 will also look for abnormal color of vegetation, disturbance in waterbodies (e.g., bubbles), or
312 frozen soil in non-winter months that may be an indication of a CO₂ release.

313 **Q. Has the Project been designed to minimize potential impacts to agricultural**
314 **production and uses?**

315 A. Yes. The Project has been designed to minimize potential impacts to agricultural
316 production and uses. The Project is sited primarily on agricultural land. Following construction,
317 lands impacted by construction will be restored to pre-construction conditions and existing
318 agricultural activities will be allowed to resume, except at permanent aboveground facility sites
319 (MLV sites and access roads). Permanent impacts are only anticipated at aboveground facility
320 locations that will be fenced and removed from current use (approximately 40.6 acres). Of
321 these 40.6 acres, only approximately 28.6 acres is agricultural land (including cropland,
322 pasture/hay/range lands).

323 Further, the pipeline will be buried to a depth of approximately four feet and will not
324 interfere with normal agricultural operations. Accordingly, the Project allows landowners to
325 diversify their operations with minimal disruption to existing agricultural uses. Measures within
326 the Environmental Construction Plan (Appendix 4) and South Dakota Agricultural Impact
327 Mitigation Plan (Appendix 6) will be implemented to minimize potential impacts to agricultural
328 lands.

329 **Q. Will the Project have a significant impact on community facilities and services?**

330 A. No. Existing social and health services should be adequate to support the workforce
331 during construction. The Project is not likely to increase the need for public services, including
332 police and fire protection, due to the short-term duration of the construction activities. As
333 discussed in the direct testimony of Dave Daum, SCS will work with local emergency
334 management offices to develop procedures for response to emergencies. SCS will deploy
335 remote medical units in the field during construction. No significant increase in the permanent
336 population of local communities would be expected from construction and operation of the
337 Project, and the construction workforce would not create any measurable impact to the local
338 government, utilities, or community services.

339 **Q. Will the Project have positive impacts on commercial and industrial sectors?**

340 A. Yes. As discussed above, the Project is expected to create both short-term and long-
341 term positive impacts to the local economy, including commercial and industrial businesses in
342 the area. Impacts to social and economic resources from construction activities would be short-
343 term. Local businesses, such as restaurants, grocery stores, hotels, hardware stores, and gas
344 stations, would see increased business during this phase from construction-related workers.
345 Local industrial businesses, including construction materials suppliers, equipment suppliers and
346 maintenance services, and others, are also likely to benefit from construction of the Project.

347 **Q. Has SCS accounted for existing infrastructure (including existing utilities) in**
348 **designing the Project?**

349 A. Yes. SCS has identified and will continue to work to identify existing utilities, including
350 underground water and electric lines, that would be crossed by the Project. SCS will work with
351 the owners of existing utilities to reach satisfactory crossing agreements and to minimize
352 potential impacts to existing infrastructure.

353 **Q. Does the project have a plan for decommissioning of the Project?**

354 A. Though the anticipated physical life of the Project will be indefinite with proper
355 construction, operations, inspection, and maintenance, SCS recognizes it may need to
356 decommission the Project in the future. Decommissioning the Project will involve ensuring the
357 line is disconnected from the CO₂ source at each ethanol plant; depressurizing the line;
358 removing capture facility infrastructure; removing all pipeline aboveground facilities and isolating
359 MLVs; disconnecting the ICCP system; isolating and sealing the ends of pipeline segments;
360 removing permanent access roads; and restoration activities. SCS is proposing to leave the
361 underground pipeline in place in the event of decommissioning; and in compliance with PHMSA,
362 the pipeline would be cleaned, filled with an inert gas (e.g., CO₂), and capped to seal. However,
363 in some cases, SCS may remove the pipeline at the request of a landowner or regulatory
364 agency. After decommissioning, SCS will patrol and monitor the pipeline left in place compliant
365 with regulatory requirements.

366 SCS will comply with PHMSA requirements for reporting (e.g., 49 CFR Part 195.59, 49
367 CFR Part 195.64, National Pipeline Mapping System Operator Standard) and field procedures
368 and activities (e.g., 49 CFR Part 195.402) associated with pipeline abandonment.

369 In addition to complying with all federal, state, and local regulations, SCS will abandon the
370 Project in accordance with industry standards, including American Society of Mechanical
371 Engineers (ASME) B31.4 (ASME, 2019).

372 **Q. Has the Project been sited so as to minimize potential human and environmental**
373 **impacts?**

374 A. Yes. As detailed in the Application, my Direct Testimony, and other witnesses' testimony,
375 the Project has been thoughtfully designed and routed to avoid and/or minimize human and
376 environmental impacts to the greatest extent practicable. The Project makes efficient use of
377 available land while minimizing adverse human and environmental impacts.

378 **Q. Will the Project be designed, constructed, and operated in compliance with all**
379 **applicable federal, state, and local regulations?**

380 A. Yes. The Project will be built to meet or exceed regulatory requirements in all facets of
381 project development, construction, and operation. The extensive work completed to date that
382 includes dispersant modeling, risk assessment, design decisions, emergency response
383 planning, and integrity management all underpin the Project's commitment to safety.

384 **Q. What will be the expected impacts to recreation from construction and operation?**

385 A. South Dakota has extensive recreational opportunities including fishing, hunting,
386 boating, hiking, camping, and biking. The most heavily used recreational areas occur where
387 public access exists. The Project does not cross any federal or state-owned wildlife lands;
388 however, access may be temporarily limited during construction where the pipeline crosses a
389 road or access point. In addition, hunting opportunities may be temporarily limited in the vicinity
390 of construction activity. No limitations associated with the normal operation of the pipeline and
391 facilities are anticipated. No impacts or limited access to fishing or boating areas are anticipated
392 during construction or operation of the pipeline and facilities.

393 **Q. Please describe for us the expected effect on transportation in the areas of**
394 **construction and operation?**

395 A. Anticipated construction transportation routes will be established through consultation
396 with state and local highway agencies to the extent necessary. Those consultations will continue
397 throughout construction. SCS expects to enter into Road Use agreements with all affected state
398 and local highway agencies. SCS will seek to have the Commission establish a road bond in
399 accordance with SDCL 49-41B-38.

400 The Department of Public Safety and Division of Highway Patrol, has jurisdiction over
401 the federal and state highway system in South Dakota and is responsible for issuing
402 transportation related permits to accommodate construction vehicles and traffic. SCS intends to
403 work with the Division of Highway Patrol to secure required permits.

404 During construction, traffic on highways and secondary roads will increase. Hauling of
405 materials and equipment will be within state road and bridge weight limits. There may be
406 isolated hauling of material and equipment that may require special permits for weight and/or
407 width. The primary impact will be deterioration of gravel or stone surface roads requiring grading
408 and/or replenishment of the surface materials. SCS will be responsible for repairing damage to
409 roads, restoring them to their pre-construction condition and/or as required to comply with
410 agreements with affected agencies.

411 **Q. What kind of programs and procedures will be implemented to support public**
412 **awareness and public safety?**

413 A. SCS will conduct public education outreach programs, including damage prevention
414 programs, that meet or exceed industry (American Petroleum Institute Recommended Practice
415 1162) and regulatory (49 CFR 195.440) requirements concerning public awareness of pipelines
416 and pipeline safety matters.

417 **Q. Will signage be installed to alert the public to the location of the pipeline?**

418 A. Yes, the pipeline will be marked with signage and warnings at road and highway
419 crossings, navigable water ways, and other locations pursuant to federal regulations. This
420 signage is intended to alert the public to the presence of an underground pipeline and to provide
421 service information, contact information, and emergency data.

422 **Q. Does this conclude your direct testimony?**

423 A. Yes.

424 Dated this 19th day of November, 2024.

425 /s/ James Powell

426 James Powell

427

428