

**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. HP24-001

PRE-FILED SUPPLEMENTAL TESTIMONY OF DAVE DAUM
ON BEHALF OF SCS CARBON TRANSPORT LLC

January 31, 2025

1 **Q. Mr. Daum, have you previously offered written testimony in this proceeding?**

2 A. Yes, I have.

3 **Q. What is the purpose of your supplement testimony today?**

4 A. The purpose of my testimony is to offer more information regarding the steps the Project
5 is taking regarding safety and emergency response. Specifically, I will be addressing certain
6 topics that arose during the public input meetings the PUC held from January 15 through
7 January 17, 2025 regarding the Project.

8 **Q. What exhibits are attached to your Supplemental Testimony?**

9 A. The following exhibits are attached to my Supplemental Testimony

10 Exhibit 1 – Example Initial Response Tactic

11 Exhibit 2 - Map of Safety and Emergency Response-related Meetings Held

12 Exhibit 3 - PHMSA's September 15, 2023 letter to SCS

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

14 A. I am the Senior Director of Health, Safety, Security, & Environmental (HSSE) with the
15 Project.

16 **Q. In the event of an incident, can you provide activities from initiation of response of
17 what SCS will do with regards to emergency response?**

18 A. SCS will staff and continuously operate an Operations Control Center (OCC) (24 hours a
19 day, 7 days a week) which will have a Real-Time Transient Model (RTTM) leak detection system
20 to continuously monitor the operation of the Midwest Carbon Express (MCE) pipeline system.
21 OCC operators are empowered to act (i.e., remotely close valves to shut in the system) if an
22 abnormal operating condition arises. The most likely indication of a pipeline emergency will be
23 via receipt of an alarm from the system, indicating a potential abnormal operating condition.
24 Other potential situations could be identified by SCS's damage prevention team (aerial patrol,
25 damage prevention personnel, a One-Call notification, etc.) or via contact to SCS's OCC.

26 In accordance with Pipeline and Hazardous Materials Safety Administration (PHMSA)
27 regulations, in the event of an emergency condition on the pipeline, SCS's control center will
28 immediately notify the Public Safety Answering Point (PSAP) for each county potentially
29 affected. Depending on the incident type and severity, additional regulatory notifications,

30 including the potentially affected public, will occur. SCS plans to utilize an electronic notification
31 system to make these notifications.

32 **Q. How will local emergency response know how to respond appropriately?**

33 A. Any response begins ahead of time with proper training. SCS is required by PHMSA to
34 train first responders at least annually and is committed to do so.

35 In the event of a release, SCS has already evaluated the extent or reach of a carbon
36 dioxide (CO₂) plume and the associated volumetric concentration. Utilizing this data, SCS can
37 quickly identify if an area in the vicinity of a release requires evacuation, and if so, the extent of
38 the evacuation.

39 The primary activities of first responders in a CO₂ response will include isolating roads
40 around the breach site to protect the public from entry and notifying residents downwind of the
41 breach that may be affected. If necessary, first responders and/or SCS contractors will also
42 conduct air monitoring for public safety.

43 As part of the required annual training, and in conjunction with the first responders, Initial
44 Response Tactics (IRTs) will be developed for every mile section of the pipeline. IRTs are not
45 required by PHMSA and atypical among midstream asset operators; and they're another
46 example of SCS's intent to exceed requirements to mitigate risk. An example of an IRT is
47 attached to my Supplemental Testimony as Exhibit 1. These IRTs will provide the guidance
48 needed by first responders on what to do in the event of an incident and will provide detailed
49 information such as:

- 50 • Maps of the area;
- 51 • Houses and businesses in the area;
- 52 • Roads to block off;
- 53 • Equipment needed;
- 54 • Specific locations, distances from source, neighboring facilities; and
- 55 • Critical response information (number of persons in the home, persons with mobility
56 or health issues, etc.).

57 These plans will be kept in response vehicles with first responders from the company and
58 local response teams and will be exercised during annual training.

59 **Q. In the event of an incident, how will rural areas receive the medical care**
60 **necessary?**

61 A. The training of Emergency Medical Technicians (EMT) and exercising of the IRTs ahead
62 of the pipeline being put into operation will identify any gaps in medical care response and
63 address the rural area's needs for providing medical care. The IRT will be developed utilizing
64 the EMT's personnel experience within the respective counties. All downwind residents that
65 could be affected by an incident will either evacuate, shelter in place or be removed to a safe
66 location by the Fire Department personnel evacuating them to a staging area location where
67 EMT's and ambulances will be staged to provide initial treatment and transport them to
68 hospitals.

69 **Q. How does SCS intend to provide medical care in rural areas during**
70 **construction?**

71 A. SCS and / or its Contractors will have a full-time medical team embedded with each
72 construction spread to provide onsite medical care in rural areas during construction. There will
73 be emergency medical plans in place based on the need for the area which may include onsite
74 medical personnel, mobile treatment centers, transportation services, medevac services,
75 occupational medical testing, etc.

76 **Q. As was mentioned in the Application, does SCS still plan to conduct another**
77 **round of safety open house meetings during March 2025?**

78 A. Yes. SCS will conduct thirteen Safety Tour meetings between March 3 – 7, 2025.
79 Locations will cover the following counties: Sully/Hyde (Onida), Spink/Hand (Redfield),
80 Brown/McPherson/Edmunds (Aberdeen), Grant (Milbank), Codington/Clark/Hamilton
81 (Watertown), Brookings (Brookings), Kingsbury (De Smet), Beadle (Huron), Davison/ Sanborn
82 (Mitchell), Lake/Minor/McCook (Madison), Minnehaha (Sioux Falls), Turner (Parker), and
83 Lincoln/Union (Canton). Meetings will be an open house-style format for two hours to discuss
84 the Project, construction, and overall safety. SCS will have project managers and subject matter
85 experts on site to discuss the Project and answer questions in a smaller group setting. I am
86 also attaching as Exhibit 2 to my testimony a map of safety and emergency response-related
87 meetings that SCS has held previously or has scheduled in the near future.

88 **Q. Can you describe the role of local governments in regard to setbacks for a**
89 **pipeline as described by PHMSA's September 15, 2023 letter to SCS?**

90 A. Yes. PHMSA states in the referenced letter, “*Under the federal pipeline safety laws (49*
91 *U.S.C. §60101 et seq.), PHMSA is charged with carrying out a nationwide program for*
92 *regulating the country’s pipelines that transport gas, hazardous liquids, and carbon dioxide. With*
93 *passage of the federal pipeline safety laws, Congress determined pipeline safety is best*
94 *promoted through PHMSA’s development of nationwide safety standards.”*

95 The letter also states that, “*Local governments have traditionally exercised broad powers*
96 *to regulate land use, including setback distances and property development that includes*
97 *development in the vicinity of pipelines. Nothing in the federal pipeline safety law impinges on*
98 *these traditional prerogatives of local—or state—government, so long as officials do not attempt*
99 *to regulate the field of pipeline safety preempted by federal law.”*

100 PHMSA lists examples where local governments have implemented or considered
101 authorities under state law. I have listed the following pertaining to setbacks. These include:

- 102 • Controlling dangerous excavation **near pipelines.**
- 103 • Limiting certain land use activities **along pipeline right-of-ways.**
- 104 • Restricting land use and development **along pipeline right-of-way** through zoning,
105 setbacks, and similar measures.
- 106 • Requiring the **consideration of pipeline facilities** in proposed local development plans.
- 107 • Requiring specific building code design or construction standards **near pipelines.**

108 The measures included in the letter as stated above, are all measures that point to
109 controlling activity near an existing pipeline, not placing a setback on the construction of a
110 pipeline which would attempt to regulate the field of pipeline safety preempted by federal law.
111 The letter also states, “*federal pipeline safety laws expressly prohibit states from enacting or*
112 *enforcing pipeline safety standards with respect to interstate pipelines (except one-call*
113 *notification program regulations).”* Also, “*Federal preemption of pipeline safety means that*
114 *states do not have independent authority to regulate pipeline safety....”* A copy of the PHMSA
115 letter to SCS is attached with this Supplemental Testimony as Exhibit 3.

116 **Q. What type of training does SCS intend to offer for first responders?**

117 A. To date, SCS has sponsored four South Dakota firefighters to attend the TEEX CO₂
118 pipeline training at Texas A&M. Based on the positive feedback regarding the training, SCS is
119 working with those South Dakota firefighters and the National Association of State Fire
120 Marshall’s (NASFM) to develop pipeline and CO₂ educational sessions for South Dakota first

121 responders that is based on the TEEEX training. These educational sessions are currently being
122 scheduled at a few different locations for mid-2025 or sooner based on first responder
123 availability.

124 SCS will also schedule PHMSA required preparedness training with each county and all
125 first responders that would respond to a release including tabletop and field exercise to ensure
126 the IRTs are understood.

127 Once SCS receives its permits, SCS will meet with Emergency Managers to schedule
128 the preparedness training. This training will include the review of Safety Data Sheets, pipeline
129 construction methods, pipeline locations, and dispersion modelling to help emergency response
130 personnel understand the likely dispersion of CO₂ based on atmospheric conditions and the
131 type of pipeline failure. The training will ensure first responders have an understanding of how
132 these conditions could impact their response efforts, evacuation areas, staging areas, and other
133 measures necessary during a response. As a part of this training, we will also collect further
134 information regarding the capabilities and resources of the first responders to help inform the
135 finalization of the overall SCS Emergency Response Plan and IRT SCS will provide this PHMSA
136 required training at least annually.

137 **Q. Does PHMSA actively update regulations and provide updated authority for**
138 **pipeline operators?**

139 A. Yes, PHMSA carries out a nationwide program under the federal pipeline safety laws (49
140 U.S.C. §60101 et seq.), for regulating the country's pipelines that transport gas, hazardous
141 liquids, and CO₂. PHMSA retains broad authority to address imminent risks to the public posed
142 by a pipeline, even if not specifically delineated in a rule or standard. PHMSA has done this
143 through the issuance of advisory bulletins to pipeline operators. One example of this is the
144 advisory bulletin PHMSA issued on June 2, 2022 after the Satartia, Mississippi, incident titled,
145 "Potential for Damage to Pipeline Facilities Caused by Earth Movement and Other Geological
146 Hazards".

147 **Q. Will SCS follow the latest PHMSA regulations?**

148 A. Yes. SCS will follow the latest regulations as issued by PHMSA in the Federal Register
149 as a Final Rule.

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153 **Q. Does this conclude your supplemental testimony?**

154 A. Yes.

155 Dated this 31 day of January, 2025.

156

157 /s/ Dave Daum

158 Dave Daum

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