

**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 ERIK SCHOVANEC
ON BEHALF OF SCS CARBON TRANSPORT LLC**

January 31, 2025

1 **Q. Mr. Schovanec, 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 provide more information regarding the route of the
5 pipeline. Specifically, I will be addressing certain topics that arose during the public input
6 meetings the Public Utility Commission (PUC) held from January 15 – 17, 2025, regarding the
7 Project.

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

9 A. I am the Vice President of Pipeline and Facilities for SCS. I am responsible for the
10 construction of SCS's pipelines and associated facilities, including the Project. My duties
11 encompass but are not limited to pipeline routing; surveying; constructability reviews; contractor
12 selection and management; material and equipment logistics; quality control and assurance;
13 environmental best management practices and reclamation; schedule; and budget.

14 **Q. The Project filed an Application with the PUC in February of 2022, Docket No.
15 HP22-001. What changes have been made to the Project's route since that Application
16 was filed?**

17 A. The Project's footprint has increased in size since the first Application. Since the August
18 2023 Supplemental Application under Docket No. HP22-001, the Project has grown in mileage
19 from approximately 478 miles to 698 miles. Also, the Project has added eight ethanol partners in
20 South Dakota, increasing the total number to 15, which represents 14 out of the 15 operating
21 ethanol plants in South Dakota and the proposed GEVO NZ-1 facility. Also, the Project now
22 crosses 23 counties, 5 more than the first Application.

23 Table 1 below gives a comparison of total tract count, number of landowners, and total
24 Project mileage between the proposed HP22-001 route and HP24-001 route.

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Table 1 – HP22-001 and HP24-001 Route Comparison

County	HP22-001 2023 Supplemental Application Route			HP24-001 2024 Application Route		
	Tract Count	Landowners	Miles	Tract Count	Landowners	Miles
Beadle	100	66	37.8	100	66	37.9
Brown	82	50	28.3	128	70	49.2
Clark	61	46	22.0	61	46	22.0
Codington	34	30	12.8	88	60	37.1
Edmunds	62	33	24.4	62	37	26.0
Hamlin	37	24	13.2	37	24	13.2
Hand	76	44	31.4	76	44	31.4
Hyde	44	18	18.8	47	18	19.5
Kingsbury	76	46	29.4	123	74	50.4
Lake	104	68	33.4	152	97	51.3
Lincoln	75	66	23.3	93	79	31.2
McCook	7	4	2.2	7	4	2.2
McPherson	172	74	60.2	200	82	68.6
Miner	44	26	15.4	102	61	36.0
Minnehaha	82	61	27.6	88	63	30.6
Spink	208	111	75.2	222	128	84.0
Sully	49	24	19.8	49	24	19.8
Turner	10	10	3.1	66	49	20.6
Brookings*	N/A	N/A	N/A	37	21	14.8
Davison*	N/A	N/A	N/A	16	8	5.5
Grant*	N/A	N/A	N/A	87	50	29.1
Sanborn*	N/A	N/A	N/A	36	24	16.3
Union*	N/A	N/A	N/A	6	5	1.5
Total	1323	801	478.4	1883	1134	698.2

Notes:
 * Brookings, Davidson, Grant, Sanborn, and Union counties were not crossed by the HP22-001 route.
 N/A – not applicable

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28 **Q. We heard concerns at the public input meetings about the Project being within**
 29 **certain distances of residences, hospitals, schools, churches, and other structures. How**
 30 **many residences are within 300 feet of the pipeline?**

31 **A. There are zero residences within 300 feet of the pipeline route.**

32 **Q. How many schools are within one mile of the pipeline?**

33 A. There are eleven schools within one mile of the pipeline route. A number of these are
34 combined K-12, so there are seven sites.

35 **Q. How many churches are within one mile of the pipeline?**

36 A. There are 18 churches within one mile of the pipeline route, three of which are within half
37 of a mile.

38 **Q. How many hospitals are within one mile of the pipeline?**

39 A. There are zero hospitals within one mile of the pipeline route.

40 **Q. For construction, where will the Project source labor?**

41 A. SCS intends to work with high quality, experienced union pipeline contractors. The union
42 pipeline contractors have agreements in place that will require at least 50% of the workforce on
43 any project to be sourced from the local (South Dakota) union work force. Contractors
44 supporting the Project anticipate utilizing four primary union crafts (Teamsters, Operating
45 Engineers, Laborers, and Welders/Pipefitters). As an example, laborers (LiUNA) will be sourced
46 from Local 622 based in Sioux Falls. With the thousands of jobs the Project will create, the
47 unions anticipate that many new opportunities (apprenticeships) will be provided locally, creating
48 a potential career path for South Dakotans. This will not only produce many local employment
49 opportunities but will also give South Dakotans the specific training needed for pipeline
50 construction, as well as additional training which will set them up for a career in the energy
51 infrastructure industry. The unions have extensive experience manning major projects in the
52 region, such as Dakota Access Pipeline (DAPL), Keystone Pipeline, and the Rockies Express
53 Pipeline

54 **Q. During the public input meetings, concerns were expressed regarding the
55 project's potential negative impact to orderly development/ planned development by
56 landowners? Can you provide details on how this issue is addressed with landowners
57 during right-of-way negotiations?**

58 A. As has been discussed in the application and in direct testimony, there are many
59 different considerations when routing a pipeline. When we first approached landowners to
60 discuss the Project and pipeline route, there were specific details of the property we weren't
61 aware of until we opened up the dialogue with landowners. As we gathered information on their

62 properties (e.g., the current use of the property, current and future development plans, drain tile
63 maps, etc.), we then worked with landowners to adjust the pipeline route, where practical, to
64 eliminate or minimize impacts. Additionally, a wide range of concerns and considerations can
65 and have been addressed with easement language, such as pipeline depth of cover, seed mix,
66 trench plugs, fencing and gate details, and construction practices around drain tile mains,
67 waterways and terraces.

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

69 A. Yes.

70 Dated this 31 day of January, 2025.

71

72 /s/ Erik Schovanec

73 Erik Schovanec

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