

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF SCS CARBON TRANSPORT LLC FOR
A PERMIT TO CONSTRUCT A CARBON
DIOXIDE PIPELINE.

HP24-001

DIRECT TESTIMONY OF

KEITH ALVERSON, LAKE COUNTY, SOUTH DAKOTA

ON BEHALF OF

SUMMIT CARBON SOLUTIONS, LLC

EXHIBIT #

December 13, 2024

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

2 A. My name is Keith Alverson. My wife Kari and I own and operate K2 Farms Inc at 24212
3 459th Ave, Chester, SD 57016.

4 **Q. What is your occupation?**

5 A. I am a Lake County farmer.

6 **Q. Please briefly describe your operation.**

7 A. I graduated from SDSU with a B.S. in Agronomy in 2002 and have been farming since
8 that time. I am the 6th generation of our family that has farmed in Chester. Our farm has
9 focused on a minimum till practice called ridge-till for over 40 years where we have a mix of
10 dryland and irrigated acres growing corn and soybeans. We have been early adopters of many
11 precision ag practices and focus on efficient use of our resources while protecting the natural
12 environment around us. Nearly all the soybeans we produce are marketed at the South Dakota
13 Soybean Processors plant in Volga. Our corn is sold to ethanol plants in our region and the
14 primary delivery point is Dakota Ethanol in Wentworth.

15 **Q. Please describe your affiliation with Summit, Dakota Ethanol, and Glacial Lakes**
16 **Energy.**

17 A. Along with owning shares in Dakota Ethanol, it is our primary corn market. I am also a
18 shareholder in Glacial Lakes Energy as well as other ethanol plants from our region.

19 **Q. What is the basis for your testimony?**

20 A. I believe this project is essential for our ethanol and agricultural industries. For many
21 years, our ethanol plants have been scored on their carbon intensity. We are now seeing it on our
22 farms, and our products' value will be influenced by it. Having a strong ethanol industry is good

23 for me, my local community, and South Dakota, so I want to support our ethanol industries
24 investment in this project.

25 **Q. Why is the Summit project necessary for you/your neighbors/South
26 Dakota/Ethanol?**

27 A. Since the ethanol industry was developed over 20 years ago, the carbon intensity of
28 ethanol has been a focus. In recent years, this focus has become more intense where ethanol
29 plants have made significant investments to reduce their carbon intensity. The CO₂ pipeline
30 project from Summit Carbon Solutions is the next step these plants must take to maintain market
31 share versus other plants investing in carbon sequestration projects across our nation. Our local
32 ethanol plant has changed our local economy for the better, and this project would further
33 increase the impact on our local, county, and state economy. This helps rural communities like
34 mine as well as many others in the state.

35 **Q. What does Summit mean to you in terms of opportunities to grow your operation?**

36 A. This project is the next step for these ethanol plants to increase the value of their product.
37 That value is shared with the thousands of in-state shareholders of our in-state ethanol plants and
38 to those of us growing corn that supplies the plants. The formation of the ethanol industry and
39 the prosperity for agriculture it created is what allowed me to return to our family farm. I hope
40 that this project will create the next wave of prosperity for agriculture and our state allowing my
41 daughter and/or sons to farm.

42 **Q. What context is missing from the concerns stated by others?**

43 A. The economic prosperity ethanol has brought to our state has been unlike anything we've
44 seen before from value added agriculture projects. I believe this project is the next step for
45 value-added agriculture. I think there is an underestimation of the work ethanol plants have been

46 doing to lower their carbon scores for the past 20 years, the impact carbon intensity is having and
47 will increasingly have on the value of ethanol, and the direct relationship back to the
48 communities around these ethanol plants. There are over 50 ethanol plants across multiple states
49 signed on, so this is truly a regional project benefiting many, not just one company.

50 **Q. What fears do you have if the project is not completed?**

51 A. I am concerned that, if this project is not completed, our state's ethanol industry will be at
52 a disadvantage to other ethanol plants and have South Dakota ethanol be discounted versus
53 others. This disadvantage will have lingering effects for the ethanol industries' profitability that
54 will limit profits for agriculture and the impact it has on our rural economy.

55 **Q. Has your county acted against the project?**

56 A. My county has not taken a position against this project.

57 **Q. How do you feel about that? How do you feel about other counties which have tried
58 to stop the project?**

59 A. I am appreciative of our county officials for their effort to weigh the risk/reward of a
60 project like this. I'm disappointed in the counties that rushed to act with ordinances before
61 thoroughly looking into the project.

62 **Q. Do you have safety concerns about the Summit project?**

63 A. No. The concerns I had initially were from lack of knowledge on a project like this. As
64 I've learned more about the project and the safety measures being put in place by SCS my
65 concerns were alleviated.

66 **Q. Is your ground part of the Summit project?**

67 A. No, I do not have any ground in the direct path of the proposed route but own/operate
68 several fields adjacent to the route.

69 **Q. Does your ground currently have other easements?**

70 A. Yes.

71 **Q. What has been your overall experience with easements, both Summit and others?**

72 A. My experience with easements has been positive. Projects have been communicated well
73 to me, and I've received compensation and have had the land ownership privilege of taking part
74 in projects for utilities that provide benefit to our region and state.

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

76 A. Yes.

77

78 Dated this 4th day of November 2024.

79

80 /s/ Keith Alverson

81 Keith Alverson