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JAN 21 2025

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

In the Matter of the Application by:

SCS Carbon Transport LLC

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For a permit to Construct a Carbon Dioxide Transmission Pipeline

Docket # HP24-001

*These are my full  
comments - I ran  
long in Mitchell &  
was not able to  
finish the entire  
text.*

*Walt*

Respectfully Submitted by:

Walt Bones

[REDACTED]

Chancellor, SD 57015

Email:

[REDACTED]

Cell:

[REDACTED]

Mr. Chairman, Commissioners . . . thank you for opportunity to testify

God has blessed and trusted the stewardship of our farm to my family for the last 140 years and we are working on transitioning to our 5<sup>th</sup> generation. Ronald Reagan was so true when he said, "Each generation goes farther than the generation preceding it because it stands on the shoulders of that generation".

Our current success is a direct result of the vision and sacrifices of generations before us. For example . . . they sacrificed 4 acres out of every  $\frac{1}{4}$  section of their land, so that we could have a road on every section line -- that enhanced farm to market access/emergency services/recreation and housing. Large poles and wires, although a pain to farm around, enhanced energy & communication systems. Rail road beds and major highways cut some farms literally in half. All were put in place to spur the creation of communities, markets, jobs and opportunity. My generation took a huge financial risk, basically investing in ourselves, to create a value added industry that was responding to a National demand for a cleaner burning, renewable fuel . . . Ethanol.

We are looking at another generational opportunity to respond to a market that is demanding our corn and oil seeds, now more than ever. As ND Governor Burgum said in a recent speech, "You don't have to have an opinion or believe in climate change or not climate change. I can't explain to you why someone would buy organic milk for twice as much as regular milk, but there's demand for it. There are people that will pay a premium for less carbon-intensive products." Access to that market is what Summit Carbon Solutions is bringing to SD farmers and our ethanol industry.

That is also the reason our family feels an obligation to our fellow farmers, and to the future viability of our entire ethanol industry, as we consider an easement on our land to be used on the route to connect the NuGen ethanol plant in Marion to the main line (the route actually runs 200 yards N of my home) . At our request, Summit has had their project engineers in our office to discuss all facets of the project's construction, Summit's safety team was in our office to discuss their and the Federal Government's role in inspections and safety protocols. Their people, especially Annette (local agent) were respectful, transparent and very open to route changes that would be less impactful to our fields and operations.

Our experience with Summit has been exemplary. I think Summit should be commended for bringing this infrastructure project to SD. If SD farmers can access these emerging markets, the increased demand will improve our corn basis at a minimum of 25-30 cents per bushel and increase the value of every gallon of low CI ethanol. Yesterday = \$.31 @ 3 gal ethanol/bu of corn = \$.93 added value (for exactly the same chemical analysis)

Commissioners,

As a landowner on the proposed pipeline route, property rights – my property rights – is an issue that strikes very close to home. In my 10 years on the Minnehaha County Planning and Zoning Board, we spent hundreds of hours in open public meetings trying to develop a comprehensive plan that provided consistency, conformity, uniformity and predictability for both applicants AND impacted landowners. We were very conscience that every zoning ordinance we considered, by definition, limits (or takes away) property rights from landowners. Furthermore, every conditional use permit opened up the Zoning Board's discretion to add even more conditions which further restricted the property owner

Lately, I have witnessed a seismic shift in zoning policy. It seems purposeful and deliberate, and I think it is egregiously taking away personal property rights under the guise of protecting those same personal property rights.

For example, some counties are basing their setback distances from property lines not structures and dwellings like we always did. If they impose a 330' set back from my neighbor's property line on a typical ½ fence line, that would impact 20 of my acres. My neighbor could dictate to me or have more control over what I can do on my 20 acres than I do. The neighboring landowner may be absentee and live far away. It is my land. So, for some, "property rights" apparently means the right to control property other people own and control what other people do on their land. So, literally, not what I want to do on my land, but what they want me to do on my land. That in my mind, is not protecting property rights.

My point is that I think the ordinances and setbacks enacted by some counties are limiting opportunity for other counties and their residents. I ask you, as a State wide commission, with State wide authority, to impose some uniformity, continuity and certainty back into our permitting process.

Please protect and allow ALL our South Dakota residents opportunities for development and prosperity. Ag Development projects and opportunities are the only type of projects that locate in and keep our rural communities and schools thriving.

Thank you again for this opportunity

Sincerely,

Walt Bones



	Today's SD Corn to Ethanol (No CCS)	Tomorrow's SD Corn to Ethanol (With CCS)
Ethanol (lbs/Bu)	19.30 lbs.	19.30 lbs
CO2 (lbs/Bu)	18.18 lbs (emitted)	18.18 lbs. (sequestered)
CI Score	52	22
Corn (1/15/25 bid)	\$4.30 (@Dakota Ethanol)	\$4.30
LCFS Credits	\$.07	\$.56 (*)
45Q Credits	-0-	\$.50 (*)
Total Value per Bu	\$4.37	\$5.36

**\*\*Sequestering the carbon dioxide adds \$1.06 per bushel (\*\*)**

**\*\*\$1.06 x 600 million bushels of corn used for ethanol in SD = \$636,000,000**

**\*\*\$636,000,000 / 800 million total bushels of corn grown in SD = 80 cents / bu.**

**\*\*If, farmer's share is 1/3 (could be higher with ethanol stock) = \$211,000,000+ / year**

**\*\*That will be spent in every community that has a corn field around it . . .**

**\*\*The USDA is estimating net farm income to be down \$43.1 Billion from last year. This is after last year's drop of \$37 Billion the year before. \$80 Billion total in 2 years!**

**\*\*Senator Thune at DakotaFest this year said no new trade deal has been done in the last 3 years and our advisories are taking our export markets from us.**

**\*\*Successful Farming Magazine reported that the US Ag trade deficit was a record \$17.2 Bil. last year and is on track to nearly double this year to \$32 Bil.**

**\*\*SAF (sustainable aviation fuel) has the potential to double the domestic demand for low carbon/high value ethanol. GEVO wants to build a \$1.0 Bil. SAF plant in Lake Preston, SD. CCS insures that this could be plant #1 of many in SD**

**\*\*This opportunity is being offered to SD corn farmers and SD ethanol plants at NO cost. Summit is paying for all the easements, piping, and equipment to make this happen.**

Additional General Comments:

You all understand SD Politics much better than I do . . . .

There has been NO statewide referendum vote on the Summit Pipeline.

For your review, the vote on Referred Law 21 that was defeated by the voters in November of 2024 denied counties:

--the ability to collect a surcharge of \$1/linear foot of pipe annually ( $\frac{1}{2}$  of those funds were to go to impacted landowners in the form of property tax relief)

Landowners with the pipeline on their property were denied:

--50 cents per linear foot as an annual rebate on their property taxes. Here in Turner Co. that would have covered  $\frac{1}{3}$  of our annual property taxes on a bare quarter

--Total liability indemnity unless the landowner's gross negligence

--Disclosure of the dispersion models

--Pipeline company's responsibility to file an impact mitigation plan

--Guarantee that land surveyors be registered in SD

--Minimum burial depth of 4 feet \*\*

--Lifetime drain tile repair \*\*

\*\*these last 2 are now being written into all new Summit easement agreements along with a life time reimbursement guarantee in case of crop reductions over the easement. We are requesting a 6' burial depth in our crop fields

So, the vote NO campaign, which was successful, took away some landowner protections and an additional funding source for counties. Anyone thinking that this was a referendum on the pipeline did not understand what they were voting on.

Respectfully Submitted,

Walt Bone

