



July 26, 2022

South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Chair Nelson, Vice Chair Fiegen, and Commissioner Hanson:

On behalf of the members of the American Coalition for Ethanol (ACE), thank you for your service on the South Dakota Public Utilities Commission (PUC) and for your commitment to address issues that come before you in a thoughtful way. I am writing today in strong support of Summit Carbon Solutions, a carbon capture and storage pipeline project involving several ACE-member ethanol production companies.

ACE is a grassroots advocacy organization, powered by rural Americans from all walks of life who have built an innovative industry that delivers low carbon biofuel and food for a growing world. Our members include U.S. ethanol biorefineries, investors in biofuel facilities, farmers who grow crops using climate-smart practices, and companies that supply goods and services to the U.S. ethanol industry.

The ethanol industry is critical to the South Dakota economy, supporting approximately 5,000 jobs, delivering \$600 million to the state's gross domestic product (GDP) every year, and purchasing half of the corn grown in the state. In practical terms, that means that corn grown on approximately 3 million acres in South Dakota was purchased by an ethanol plant, eventually providing Americans with a cleaner fuel source and helping maintain strong land values.

While the economic benefits of ethanol are substantial and impressive, ACE members are also firmly committed to ensuring corn ethanol achieves meaningful reductions in greenhouse gas (GHG) emissions. To underscore our commitment to addressing climate change, last year, the ACE board of directors unanimously adopted the following resolution: **"The ACE Board of Directors supports the adoption of policies at the state and/or federal level which recognize ethanol is part of the climate and health solution while crediting farmers and ethanol producers for activities which will help ethanol reduce lifecycle GHG emissions by at least 70% on average compared to gasoline by 2030, and reach net-zero lifecycle GHG emissions by 2050."**

The global gold-standard method to measure the GHG emissions of various transportation fuels, such as corn ethanol, is the Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET) model developed by scientists at the U.S. Department of Energy's Argonne National Laboratory. The assumptions and estimates used by Argonne scientists in

REET are under constant peer review and updates to the model occur annually. Not only do more than 40,000 users around the world depend upon REET to help determine the lifecycle GHG impacts of certain fuel technologies, but the model is the basis for the assessments used under the California LCFS and Oregon Clean Fuels Program. According to the latest REET model, average Midwest corn ethanol reduces GHG emissions by 50% compared to gasoline.

An average corn ethanol facility working with Summit or other carbon capture and storage technology providers has an opportunity to achieve nearly “net-zero” GHG emissions compared to gasoline. Not only will this provide more families with access to low carbon fuels, but it will also remove millions of tons of CO₂ emissions from our atmosphere every year.

The PUC has an opportunity to play an important role in supporting South Dakota’s economy and helping address climate change through your support of Summit Carbon Solutions. This project involves more than 30 ethanol plants across a five-state region. Located in Iowa, Minnesota, North Dakota, South Dakota, and Nebraska, this meaningful investment in the future of agriculture will capture carbon dioxide from the fermentation process of ethanol plants, compress the captured CO₂, and channel it to North Dakota where it will be permanently and safely stored underground in deep geologic storage locations. Doing so will drastically reduce the carbon footprint of ethanol production and enhance the long-term economic viability of the ethanol and agriculture industries. As one of the largest private investments in the region, Summit Carbon Solutions’ project will generate thousands of jobs during construction and hundreds of full-time jobs once operational.

ACE is aware of the fact the PUC is being pressured by some special interests who oppose ethanol, but to foster economic development and meaningfully combat climate change, we respectfully encourage you to support the carbon capture, transportation, and storage projects that have been proposed in the Midwest and plan to operate in South Dakota. Dozens of ethanol plants across the region and South Dakota, beyond those that are members of ACE, have formally joined these projects because they represent a significant and potentially transformative economic opportunity in the years to come. If approved, these multi-billion-dollar infrastructure investments will allow the ethanol produced at these facilities to be sold at a premium in the growing number of states and countries that have adopted low carbon fuel standards. Accessing these markets represents a significant economic opportunity for the ethanol industry that will allow it to continue to compete and succeed in an increasingly low carbon world.

In particular, we believe recent efforts at the county level establishing moratoriums on new pipeline projects will not only have a negative impact on South Dakota’s economy, it would prevent us from making meaningful reductions in GHG emissions. The recent stall efforts are contrary to the way pipeline projects are regulated and permitted, which is done at the federal and state levels.

Ultimately, the combination of climate-smart farming practices, constant improvements and efficiencies within ethanol facilities, and carbon capture and storage projects puts corn ethanol on a trajectory to reach both net-zero and net-negative emissions – a trajectory that is unique to ethanol and squarely puts farmers and biofuel producers in a position to be a

meaningful part of the solution to climate change. Delaying the approval of carbon capture and storage projects would only make our climate crisis worse.

What's more, the carbon capture projects being proposed will involve billions of dollars of investment in South Dakota. A substantial portion of that investment will go to landowners and labor income, which will flow to local businesses, hotels, restaurants, hardware stores, and more. It will also generate millions of dollars in new property taxes for local communities to help support schools, health care facilities, road construction, public safety, and more.

In short, there are substantial economic and environmental benefits associated with these carbon capture and storage projects that would be put at risk if the PUC does not allow it to move forward in a timely manner.

Thank you in advance for your consideration of these projects.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Jennings". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Brian Jennings, CEO
American Coalition for Ethanol