

We respectfully ask the PUC to recognize the value of this technology for the state and support a permitting process that allows the landowners and ethanol partners involved in these projects to continue moving these projects forward.

Thank you again for your consideration.

Sincerely,



Thank you for your service to South Dakota and your ongoing efforts to keep the state's economy moving forward. My name is Walter Wendland, and I serve as President of the South Dakota Ethanol Producers Association. Our organization advocates for the expansion of ethanol production, greater access to emerging markets, and state and federal policies that help our industry grow. Our member plants include Ringneck Energy, Dakota Ethanol, Redfield Energy, Red River Energy and all POET Biorefining facilities in South Dakota.

According to the United States Department of Agriculture, corn production provides South Dakota with a total value of more than \$4 billion. Of course, ethanol is an important part of that equation, as our industry purchases more than half of all the corn grown in our state. With sixteen plants, South Dakota has become an ethanol production leader, ranking fifth in the nation. However, just 3% of the more than 1.3 billion gallons we produce annually is utilized within the state, making our industry reliant upon outside markets for sustained value creation and growth. Many of our largest ethanol markets, both domestically and internationally, increasingly demand lower or net-zero carbon fuel options.

That is the opportunity that lies ahead with the commitments being made to carbon capture projects. These investments in our infrastructure will allow ethanol producers to reduce the carbon intensity of their products significantly and, in turn, ensure access to higher-value markets for decades. Accessing these markets represents an enormous, and in many ways essential, economic opportunity for the ethanol industry, which is why nearly every ethanol company operating in South Dakota and across America's Corn Belt has joined one of these projects.

Like other industries, ethanol producers have continued to invest and optimize their facilities, bringing additional value to the local communities where we operate and the farmer customers we serve. With ethanol contributing \$600 million to South Dakota's gross domestic product every year, we believe the long-term economic benefits of carbon capture projects are clear and overwhelming. A strong ethanol industry is good for South Dakota farmers, South Dakota businesses, and South Dakota as a whole.

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION



South Dakota Ethanol Producers Association
4615 N. Lewis Ave. Sioux Falls, SD 57104

January 26, 2023

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

Dear Commissioners:

Walter Wendland
President of the South Dakota Ethanol Producers Association and
President & CEO of Ringneck Energy