



WESTERN DAKOTA ENERGY ASSOCIATION

January 27, 2023

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Testimony of:

Geoff Simon, Lobbyist #144

in opposition to SB 2212 – Common Carrier Status for CO2 Pipelines
Senate Energy and Natural Resources Committee

Chairman Patten and Committee members:

On behalf of the city, county and school district members of the Western Dakota Energy Association (WDEA), we wish to express our strong opposition to SB 2212, which would strip common carrier status from CO2 pipelines, making it effectively impossible to obtain a certificate of convenience and necessity to construct a CO2 pipeline.

While WDEA appreciates the angst of the supporters of this legislation who doubt that carbon dioxide poses a threat to public health as determined by the U.S. Environmental Protection Agency, it is an unfortunate reality that our fossil fuel industry must confront. There will undoubtedly be increasing federal regulatory pressure on all forms of energy production that emit carbon dioxide. This prospect poses a huge threat to not just the ongoing economic viability of ethanol plants and our coal-based generation assets, the forced retirement of baseload coal-fired electric generation presents a huge threat to the reliability of the electric grid in North Dakota and throughout the region.

To put it succinctly, if this legislature wants to kill the state's \$5.8 billion lignite industry and create a future in which our state's citizens are subject to power blackouts during life-threatening weather conditions, pass this bill which will prevent the construction of carbon dioxide pipelines.

Environmental extremist groups that would love to see the demise of the coal industry undoubtedly love this legislation. However, their activism which has convinced policy makers that carbon dioxide is a menace, has actually performed a huge favor for North Dakota and our fossil fuel industry. The operators of the state's coal-fired generating plants are developing plans to capture and store carbon dioxide. Developers of Summit Carbon Solution's proposed CO2 pipeline plan to do the same by capturing and storing CO2 from the region's ethanol plants. But that's not the end of the story.

There are multiple pilot projects underway by several of North Dakota's major oil producers to develop technology to inject gas into oil-bearing shale formations to enhance oil production. While today those experiments are using produced natural gas, the miscibility of carbon dioxide is virtually identical. So while current plans contemplate the sequestration of CO2, a day will come in the not-to-distant future that carbon dioxide will be used to extract billions more barrels of oil from the Bakken, extending the life of North Dakota's oil patch by decades. Suffice to say, that prospect provides our state the opportunity to reap many millions, if not billions, more dollars of tax revenue.

We urge the Senate Energy and Natural Resources Committee to give SB 2212 a Do NOT pass recommendation, and ensure a bright economic future for our fossil fuel industry.

Western Dakota Energy Association
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