

NEWS RELEASE Aug. 4, 2023

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PSC Denies Siting Permit for Summit Carbon Pipeline Project

BISMARCK, ND – The North Dakota Public Service Commission (PSC or Commission) today denied a siting permit for the Midwest Carbon Express CO2 Pipeline Project.

SCS Carbon Transport LLC (Summit Carbon Solutions referred to as "Summit") filed an application in Oct. 2022 to construct approximately 320 miles of carbon dioxide pipeline in North Dakota. The proposed route of the pipeline would cross through parts of Burleigh, Cass, Dickey, Emmons, Logan, McIntosh, Morton, Oliver, Richland and Sargent Counties. The CO2 would then be injected into pore space for permanent sequestration.

In February 2023 the PSC scheduled four public hearings that were held in Bismarck, Gwinner, Wahpeton and Linton throughout the spring. In order to allow additional time for public testimony, another hearing was scheduled in Bismarck and was held in early June. These hearings included many hours of testimony and cross examination from intervenors, including those representing landowners.

The Commission received extensive public comment during the hearings. Those testifying expressed broad concerns regarding eminent domain, safety, the policy of permanent CO2 sequestration and storage, setback distances, irreparable harm to underground drain tile systems, impacts on property values, and the ability to obtain liability insurance due to the project.

Landowners and intervenors testified that the project would cause adverse effects on the value of their property and residential development projects. Summit filed a letter from an appraisal company in response to these concerns. However, the filing was not brought forth during any of the public hearings and therefore the Commission and intervenors did not have the opportunity to ask questions about the document or question a witness from Summit.

Several landowners testified expressing concerns specific and unique to their properties. Landowners repeatedly testified that they had contacted Summit with requests for reroutes across their properties or other mitigation steps but heard nothing back from the company. The Commission felt that Summit has not taken steps to address outstanding legitimate impacts and concerns expressed by landowners or demonstrated why a reroute is not feasible. The Commission also requested additional information on a number of issues that came up during the hearings. Summit either did not adequately address these requests or did not tender a witness to answer the questions.

The issues of eminent domain, safety compliance with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) construction and operation, and permanent sequestration and storage of CO2 were outside the jurisdiction and consideration of the Commission.

As part of the process, Summit was also required to contact and ask for feedback from 44 different local, state and federal agencies. A cultural resource report was submitted to the North Dakota State Historical Preservation Office (SHPO). SHPO responded to the report advising that it does not meet their standards and they have not received a revised report addressing their concerns. SHPO concurrence is commonly required by the Commission for issuance of a siting permit.

The U.S. Geological Survey noted 14 areas of potential geological instability within the project corridor. Summit has not submitted information to the Commission demonstrating how it has addressed these concerns.

In a separate order approved today, the Commission concluded that dispersion modeling information submitted by Summit is a security system plan for critical infrastructure that may be exempt from public disclosure.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate certain business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or <u>www.psc.nd.gov.</u>

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