

Thompson, Pamela J.

From: Brandenburg, Michael D. <mbrandenburg@ndlegis.gov>
Sent: Friday, May 3, 2024 2:55 PM
To: -Info-Public Service Commission
Cc: Wanzek, Terry M.
Subject: Case No. PU-22-391 - Supplemental Testimony of Mike Brandenburg
Attachments: Ethanol.Fact.Sheets.2024.N.pdf; Brandenburg Testimony.4.22.24.pdf

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Dear Commissioner Christmann, Commissioner Haugen-Hoffart, substitute decision maker Dawson, and PSC staff:

On April 22, 2024, I provided testimony during the public comment portion of your hearing on Summit Carbon Solution's CO2 pipeline siting application. In my written testimony (attached), I highlighted numerous statistics and facts. During the hearing, advisory council Zachary Pelham asked me to provide the sources of this information. As such, I have listed below the information along with the source of the information:

- The ethanol industry's impact in our state is estimated at \$1.7 billion.
 - [NDSU Agribusiness and Applied Economics Report No. 816-Corn, Dec. 2022](#) (page 6)
- North Dakota farmers sell 210 million bushels of corn annually to ethanol plants in the state.
 - North Dakota Ethanol Council Fact Sheet (attached) (page 1, #6)
- The six North Dakota ethanol plants have the capacity to produce about 550 million gallons of ethanol per year.
 - North Dakota Ethanol Council Fact Sheet (attached) (page 1, #4)
- 90 percent of the ethanol, feed and corn oil produced in North Dakota is exported out of state.
 - North Dakota Ethanol Council Fact Sheet (attached) (page 1, #5)
- The Canadian Clean Fuel Standard went into effect July 1, 2023. It requires U.S. plants to continue to reduce the Carbon Intensity of ethanol sold into Canada.
 - [Biofuels Annual Report, USDA, Aug. 14, 2023](#)
- Canada is our country's single biggest export market, and they buy 400 to 500 million gallons of U.S. ethanol.
 - [2021 U.S. Ethanol Exports & Imports Statistical Summary, Renewable Fuels Association](#) (page 3)
- Looking to the future, the single biggest market opportunity for low-carbon ethanol is Sustainable Aviation Fuel.
 - North Dakota Ethanol Council Fact Sheet (attached) (page 3, #14)
- If North Dakota ethanol plants cannot lower their product's Carbon Intensity, Brazil is ready to fill the demand. Brazil is the second largest ethanol-producing country in the world, second only to the U.S. Their ethanol already meets the carbon intensity standards the growing market demands.
 - North Dakota Ethanol Council Fact Sheet (attached) (page 3, #15)

As I stated during the hearing, I respectfully request that the PSC approve Summit's project for the benefit of our farmers, our ethanol plants, and the state's future. Thank you for your diligent consideration, and please do not hesitate to reach out to me if you have any questions.

557 PU-22-391 Filed 05/03/2024 Pages: 8
Mike Brandenburg Public Testimony and Supporting
Information from April 22, 2024
Mike Brandenburg

Sincerely,

Mike Brandenburg
District 28 State Representative

Testimony of
District 29 State Senator Terry Wanzek
and
District 28 State Representative Michael Brandenburg

Presented by
Rep. Brandenburg

Monday, April 22, 2024

Case No. PU-22-391
SCS Carbon Transport LLC
Midwest Carbon Express CO2 Pipeline Project
Siting Application

Ballroom
Baymont Inn & Suites Mandan
2611 Old Red Trail N.W.
Mandan, North Dakota

North Dakota Public Service Commission
Case No. PU-22-391
SCS Carbon Transport LLC
Midwest Carbon Express C02 Pipeline Project

April 22, 2024

Members of the North Dakota Public Service Commission:

My name is Mike Brandenburg. I am a corn farmer from Edgeley, N.D., and serve District 28 in the North Dakota House of Representatives. This statement is also from District 29 State Senator Terry Wanzek of Jamestown. Senator Wanzek is also a corn producer. He is out of state today.

We are farmers who come from multi-generational farming families. The Brandenburg family goes back to the early 1900s, and the Wanzek family goes back to 1885. With this rich agricultural history in our backgrounds, we understand the need to adapt and grow to meet market demands.

Senator Wanzek and I are presenting this testimony because we are very concerned about the future of North Dakota's corn producers and the plants that use corn to produce ethanol.

Two things will happen quickly if the Summit pipeline is not built in the near future.

1. Corn prices paid to farmers will drop and will slip below the break-even price. That means our state will lose farmers.

2. Ethanol sales will drastically decrease because ethanol produced to industry standards will be purchased from other ethanol-producing counties, such as Brazil. That means our largest customer, Canada, will have to go elsewhere for the quality of ethanol they require. The result will be the loss of ethanol plants in North Dakota and other ethanol-producing states.

Please consider these statistics:

- The ethanol industry's impact in our state is estimated at \$1.78 billion, according to North Dakota State University.

- North Dakota farmers sell 210 million bushels of corn annually to ethanol plants in the state that produce about 550 million gallons of ethanol per year.

- It is estimated that ethanol production in North Dakota has increased the price paid to farmers for their corn by 50 cents to a dollar per bushel.

- 90 percent of the ethanol, feed and corn oil produced in North Dakota is exported out of state.

- National and international buyers want the Carbon Intensity of ethanol lowered which means reducing carbon emissions. That is exactly what the Summit pipeline would enable the plants it serves to do.

- The Canadian Clean Fuel Standard went into effect July 1, 2023. It requires U.S. plants to continue to reduce the Carbon Intensity of ethanol sold into Canada. Canada is our country's single biggest export market, and they buy 400 to 500 million gallons of U.S. ethanol. We cannot afford to lose that market.

- Looking to the future, the single biggest market opportunity for low-carbon ethanol is Sustainable Aviation Fuel. The best opportunity for North Dakota ethanol plants to produce lower Carbon Intensity ethanol is carbon capture and storage—namely the Summit pipeline.

- If North Dakota ethanol plants cannot lower their product's Carbon Intensity, Brazil is ready to fill the demand. Brazil is the second largest ethanol-producing country in the world, second only to the U.S. Their ethanol already meets the carbon intensity standards the growing market demands.

Senator Wanzek and I respectfully request the Commission to approve the Summit pipeline for the benefit of North Dakota's farmers, ethanol plants, our state's overall economy and our future.

Thank you.

Rep Mike Brandenburg

Brandenburg, Michael D.

From: Wanzek, Terry M.
Sent: Sunday, April 21, 2024 9:35 PM
To: Brandenburg, Michael D.
Subject: Summit carbon capture project

To whom it may concern:

I wish to confirm my support and authority for Representative Michael Brandenburg to testify on my behalf. I am out of state at the moment and unable to be there to testify in person. Therefore, Rep. Brandenburg will be presenting testimony on my behalf that I've read and approve of as my testimony.

Thank you.

Sincerely,

Sen. Terry M Wanzek

District 29

ND State Senate

701-320-3303

FACT SHEET

North Dakota Ethanol Industry

1. Economic Impact

The North Dakota ethanol industry contributes \$1.7 billion annually to the state's economy. In addition, state and local tax revenues contribute \$8.5 million annually.

2. Employment

North Dakota ethanol plants employ more than 275 workers directly in high-paying positions such as chemists, engineers, accountants, managers, as well as support staff. The industry also supports thousands of jobs across all sectors of the economy.

3. Rural Economic Development

Five of North Dakota's six ethanol plants are located in a community with a population of less than 2,500. The plants contribute an average of 55 jobs and an average annual payroll of \$6 million to the community. In addition, the plants purchase the majority of their feedstocks, primarily corn, from North Dakota farmers and sell distillers grains to North Dakota livestock producers.

4. Production

The six North Dakota ethanol plants have the capacity to produce over 550 million gallons of ethanol per year, which is a 50% increase over the production a decade ago.

5. Consumption

Approximately 10% of ethanol produced annually in North Dakota is blended with gasoline and sold within the state, while the remaining 90% is shipped primarily to the east or west coast.

6. Corn and Byproduct Use

North Dakota ethanol plants process about 210 million bushels of corn annually with more than 80% of the corn purchased from North Dakota farmers. Forty to 60% of North Dakota's total annual corn production is purchased by North Dakota ethanol plants.

7. Coproducts

Each bushel of corn processed by North Dakota ethanol plants produces 3 gallons of ethanol, 15 pounds of livestock feed (dried distillers grains), 18 pounds of carbon dioxide and up to 1 pound of corn oil. North Dakota ethanol plants produce nearly 1.5 million tons of livestock feed, including dry distillers grains.

8. Carbon

North Dakota's ethanol industry is a national leader in efforts to decrease its carbon footprint and that of other industries as well. Corn ethanol's carbon footprint is currently a third less than gasoline and continues to decrease with increased carbon-conscious efforts from corn growers and ethanol plants, such as carbon sequestration and storage projects underway at two North Dakota ethanol plants. In addition, corn oil produced is used in renewable diesel production to lower the carbon intensity of that product.

FACT SHEET

National Ethanol Industry

1. Economic Impact

The United States ethanol industry generated nearly \$55 billion to the gross domestic product and over \$10 billion in federal, state and local taxes in 2022.

2. Employment

The nation's ethanol industry supports more than 395,000 American jobs in all sectors of the economy and boosted household income by over \$32 billion.

3. Rural Economic Development

Each ethanol plant contributes to the local economy by providing jobs at above-average wages and an additional market for locally grown corn. In 2022, a typical dry mill ethanol plant added approximately \$2.44 of additional value, or 34%, to every bushel of corn processed.

4. Production

In 2023, 15.6 billion gallons of ethanol was produced by nearly 200 plants in 23 states making the U.S. the largest ethanol-producing country in the world.

5. Consumption

Ethanol is blended with nearly every gallon of the nation's gasoline supply. The ethanol used in 2022 accounts for more than 10% of the nation's motor fuel supply, up from less than 1% 20 years ago.

In addition, 1.4 billion gallons (roughly 10% of production) were exported in 2023 to over 75 countries. And 10.8 million metric tons of distillers grains were shipped worldwide. (Canada is the largest and most consistent destination for U.S. ethanol exports accounting for 30%, followed by the United Kingdom, and the European Union).

6. Corn Use

In 2023, grain demand by the ethanol industry boosted the value of the U.S. agriculture sector by \$28 billion – that's \$14,000 per farm. Around 35% of corn produced is used for ethanol and coproduct production, which includes 35 million metric tons of high-quality livestock feed.

7. Reduced Gas Prices

Nearly every gallon of gasoline sold in the U.S. today contains at least 10% ethanol (E10) saving consumers roughly 40-50 cents per gallon. Many gas stations are starting to offer E15 (Unleaded 88), which is a gasoline blended with 15 percent bioethanol. A simple nationwide move to make E15 the standard fuel sold across the U.S. would save American families \$20.6 billion per year in fuel costs.

8. Environmental Benefits

Ethanol use reduces greenhouse gas (GHG) emissions by as much as 50%. Increasing the amount of biofuels used in the transportation sector by just 5 percent would be like taking nearly four million cars off the road each year.

9. Energy Security

The 15.6 billion gallons of ethanol used in the United States in 2023 displaced more than 700 million barrels of oil each year.

11. Co-Products

In 2023, the nation's ethanol industry produced 35 million metric tons (mmt) of distillers grains, gluten feed and gluten meal. These bio-products are valuable corn and soybean meal substitutes in rations used around the world to feed beef and dairy cows, pigs, chickens, turkeys, fish, and other animals. The ethanol industry also produced over 4.2 billion pounds of distillers corn oil, a valuable animal feed ingredient and a major feedstock for bio-based diesel.

14. New Horizons

Ethanol producers are embracing technologies that capture biogenic CO₂ and permanently sequester it underground or reuse it as a building block for emerging bioproducts. New uses for low carbon ethanol are on the way like sustainable aviation fuel (SAF). Nationally we use about 20 billion gallons of jet fuel and about 100 billion gallons of jet fuel are used internationally. The jet fuel market is projected to expand to 250 billion gallons per year by 2050.

15. Competition

Brazil is the second largest ethanol-producing country in the world and is rapidly growing with the expansion of corn ethanol and low carbon intensity of their ethanol. Virtually all fuel ethanol imports into the U.S. come from Brazil.