

NORTH DAKOTA PUBLIC SERVICE COMMISSION

CERILON GTL ND INC.

**CERILON GTL NORTH DAKOTA PROJECT – WILLIAMS COUNTY
APPLICATION FOR A CERTIFICATE OF SITE COMPATIBILITY**

CASE NO. PU-23-325

JUNE 5, 2024

PART I

**PREPARED TESTIMONY OF
ROCHELLE HARDING**

1 **I. Introduction and Background**

2

3 **Q1. Please state your name, your employer, and your business address.**

4 A. My name is Rochelle Harding. I work for Cerilon Inc. (“Cerilon”). My business address
5 is First Canadian Centre, 350 7 Ave SW 29th Floor, Calgary, AB T2P 3N9, Canada.

6

7 **Q2. What is your position with Cerilon?**

8 A. I am a Director of Sustainability and Engagement for Cerilon. Cerilon is an international,
9 privately-held corporation, headquartered in Calgary, Alberta. We are focused on
10 developing and managing a portfolio of energy transition, chemical and professional
11 services companies.

12

13 **Q3. Please describe your educational and professional background.**

14 A. I am a professional engineer registered in the province of Alberta, Canada. I earned a
15 Bachelor of Science degree in chemical engineering and a master’s degree in biochemical
16 engineering from the University of Saskatchewan. I have more than 20 years of experience
17 as a regulatory affairs and environmental assessment specialist. I have experience working
18 on major energy projects including permitting in multiple jurisdictions and industries;
19 developing and implementing strategies to manage regulatory, stakeholder, and
20 environmental issues; stakeholder engagement; and Indigenous consultation. Projects I
21 have worked on include developments in the Canadian oil sands, large pipeline projects,

1 liquid natural gas (“LNG”) facilities, flood mitigation structures, and carbon capture and
2 sequestration projects. I also have experience as an air quality assessment specialist.

3

4 **Q4. What is your role with respect to the Cerilon GTL North Dakota Project (the
5 “Project”)?**

6 A. In my role as Director of Sustainability and Engagement for Cerilon, I oversee permitting
7 for the Project. This includes working with Cerilon’s engineering team and consultants to
8 develop regulatory applications and supporting studies and coordinating with relevant
9 agencies and stakeholders. I am also responsible for engagement with local stakeholders
10 and community members. I work closely with our leadership and engineering teams to
11 identify ways to mitigate potential environmental effects and to enhance social and
12 economic benefit.

13

14 **Q5. Are you familiar with the contents of Cerilon’s Application for a Certificate of Site
15 Compatibility for the Project (the “Application”), which is marked as Exhibit No. 1?**

16 A. Yes. I am familiar with the contents of the Application.

17

18 **Q6. Does the Application accurately describe the Project?**

19 A. Yes, along with all supplemental and supporting information Cerilon has filed with the
20 Commission.

21

22 **Q7. Were you involved in the preparation of Cerilon’s Application?**

23 A. Yes. I coordinated the collection of Project information contained in the Application and
24 managed consultants responsible for conducting environmental studies and preparing the
25 Application.

26

27 **Q8. What entities will construct, own, and operate the Project?**

28 A. As noted in the Application, the Project includes two gas-to-liquids (“GTL”) facilities that
29 will be developed in two phases. Cerilon GTL ND Inc. will construct, own, and operate
30 the Project. Cerilon engaged global engineering firm Worley to provide engineering
31 services for the design of the Project. Cerilon will engage an experienced engineering,

1 procurement, and construction (“EPC”) contractor to manage the construction of the
2 Project. The EPC contractor will coordinate multiple construction and vendor contracts
3 and ensure conformity with Project plans and specifications as well as compliance with all
4 regulatory requirements. Following construction, Cerilon will own, operate and maintain
5 the Project.

6

7 **Q9. What is the purpose of your testimony?**

8 A. My testimony provides an overview of the Project, including the development history, site
9 selection process, layout and facility design, land acquisition, landowner coordination, and
10 Project benefits. Additionally, I will testify regarding Cerilon’s environmental study results
11 and the avoidance, minimization, and mitigation efforts that are or will be implemented for
12 the Project. My testimony and the supporting evidence in the record will demonstrate that
13 the Project site chosen will minimize adverse human and environmental impact, will bring
14 positive socioeconomic benefits and that the Project meets the Commission’s siting
15 criteria.

16

17 **Q10. How is your testimony organized?**

18 A. My testimony will begin by providing a description of the Project (Section II). Next, my
19 testimony will summarize the Project’s environmental studies and mitigation (Section III)
20 and cultural resources studies (Section IV). Then, my testimony will describe the Project’s
21 coordination and outreach efforts (Section V). Finally, my testimony will address the
22 Project’s compliance with the Commission’s siting rules (Section VI) and the additional
23 permitting requirements for the Project (Section VII). Ultimately, my testimony will
24 conclude that the Project complies with the Commission’s siting requirements.

25

26 **II. Description of the Project**

27

28 **Q11. How did Cerilon select the Williams County location as the Project site?**

29 A. Cerilon chose Western North Dakota for the Project Site due to the abundant natural gas
30 supply, suitable geology for carbon sequestration, and transportation access to markets.
31 Cerilon consulted with the North Dakota Department of Commerce to identify potential

1 sites for the Project. Ultimately, the Trenton location was selected for the Project Site due
2 to numerous strategic attributes, including:

- 3 a. Proximity to abundant natural gas supply via the Northern Border Pipeline;
- 4 b. Access to directly adjacent rail and road loading facilities to support product
5 shipment to customers; proximity to the Cochin pipeline, a major offtake transport
6 option for naphtha;
- 7 c. Access to sufficient electrical power for startup and for interconnection to the grid
8 to supply excess electricity; and
- 9 d. Access to other utilities and services.

10 In addition, the Project has strong support from the State of North Dakota, particularly the
11 Department of Commerce, Williams County, and McKenzie County.

12 **Q12. Please describe the Project, its general location, proposed capacity, and facilities.**

- 14 A. The Project Site is approximately 370 acres in Sections 25 and 36, Township 153 North,
15 Range 103 West in Williams County. The Project Site is approximately 7.5 miles southwest
16 of the city limits of Williston. The Project Site is bordered to the west by Savage Services
17 Corporation's Bakken Petroleum Services Hub ("Savage"), to the north by the Great
18 Northern Railroad, and to all other sides by agricultural land and farmsteads. Cerilon has
19 purchased 200 acres and has entered a purchase agreement for the remaining 170 acres.
- 20 B. The Project will include two GTL facilities constructed in phases (Phase 1 and 2). Each
21 GTL facility will convert 240 million standard cubic feet per day ("MMscf/day") of natural
22 gas to approximately 24,000 barrels per day ("bpd") of high-value synthetic energy
23 products.
- 24 C. Both GTL facilities will contain the following key components:
 - 25 • Process equipment to facilitate the conversion of natural gas to liquid hydrocarbon
26 products. Phase 1 products will be Group III+ base oils, ultra-low sulfur diesel and
27 naphtha. The Phase 2 product slate will be confirmed based on market conditions
28 but may include other products, such as aviation fuel and liquefied petroleum gas
29 ("LPG");
 - 30 • Electric energy generation using excess heat generated by the conversion of natural
31 gas to liquid hydrocarbon products;

1 • Carbon dioxide capture for off-site, third-party sequestration;
2 • Utilities and other support services; and
3 • Temporary construction facilities.

4

5 **Q13. Describe Cerilon's capacity to develop a project of this scale.**

6 A. The Cerilon team has extensive GTL experience and our principals have expertise across
7 the entire conversion process from gas supply to product off-take including technology,
8 engineering, construction, automation and operations. Members of the Cerilon team have
9 been involved in every large successful GTL facility developed globally over the past 20
10 years with experience spanning the entire process and business development life cycle.
11 Building on their experience, lessons learned from previous projects, and several years'
12 work with current project stakeholders, Cerilon has assembled the critical capability
13 required for the successful development and operation of the Project.

14 Our team is supported by industry-leading advisors and partners to provide further
15 expertise and specialty services as needed. Our technology providers, including Chevron,
16 are global leaders in GTL technology. Our engineering contractor, Worley, is a global
17 engineering firm with the experience and capacity to deliver full engineering, procurement
18 and construction services. ABB, our automation contractor, is an industry leader in
19 automation and electrification for industrial facilities.

20

21 **Q14. Describe the development history of the Project.**

22 A. In 2019, Cerilon initiated site selection studies for the first of a series of GTL facilities with
23 a focus on areas in North America with adequate natural gas supply. Oklahoma, Ohio,
24 Alberta, Louisiana, Texas, and North Dakota were considered as potential locations. In
25 2021 Cerilon, worked with the North Dakota Department of Commerce to identify
26 potential site locations in the state and confirmed that North Dakota was an ideal
27 jurisdiction for our foundational project. Of all the jurisdictions reviewed, North Dakota
28 provided the best geologic and regulatory conditions for carbon capture and sequestration,
29 a key criterion for site selection. A detailed site selection process was undertaken on
30 possible North Dakota locations and the Trenton site was selected in 2021. Subsequent to
31 completing a Front End Loading ("FEL") 1 options analysis, Cerilon entered into a FEL2

1 feasibility study in 2022 that was completed in early 2023. Cerilon is currently conducting
2 FEL3 front end engineering and design work for two facilities on the Trenton site.
3

4 **Q15. Have there been any changes to the Project design since Cerilon filed its Application
5 with the Commission?**

6 A. There have been no material changes since the Application was filed. More detailed
7 information on power generation, use and excess power sales to the grid is now available
8 as a result of a steam study completed in FEL2 and is detailed below. The timeline for
9 construction and operation of the Project has been revised as described below.
10 Additionally, the Application mentions potentially placing guy wire structure foundations
11 within the U.S. Army Corps. of Engineers (“USACE”) flowage easement. Cerilon no
12 longer anticipates placing any infrastructure within the USACE easement.
13

14 **Q16. Please describe the local permitting efforts related to the Project.**

15 A. The Williams County Board of County Commissioners issued conditional approval to
16 rezone the 370-acre Project Site to Heavy Industrial on May 3, 2022. The conditional
17 approval of the zoning change was contingent on Cerilon receiving a conditional use permit
18 (“CUP”) for the Project from Williams County. On February 1, 2024, Cerilon submitted
19 a CUP application to Williams County for the GTL Facility. Cerilon’s CUP application
20 was presented before the Williams County Planning and Zoning Board in a public hearing
21 on March 21, 2024. The Williams County Planning and Zoning Board recommended
22 approval of the application in a 7-1 vote. On April 2, 2024, the Williams County Board of
23 County Commissioners approved the CUP application on a 4-1 vote (Dkt. No. 23(6)).
24

25 **Q17. Please explain the need for the Project.**

26 A. This Project provides strategic energy self-sufficiency and security benefits by using
27 existing and future gas supplies to generate premium quality synthetic energy products and
28 contribute to the growth of North Dakota’s downstream industry. This facility will harness
29 a significant amount of North Dakota’s excess natural gas to produce high-value products
30 and generate economic opportunity within the state. North Dakota has an ambitious target
31 to be the first carbon-neutral state by 2030 and has identified the Cerilon GTL facility as a

1 key piece of energy transition infrastructure vital to achieving this objective. The GTL
2 facility will use a significant volume of associated gas that may otherwise be flared or
3 wasted due to natural gas infrastructure constraints. State officials view the scalability and
4 replicability of the Project design as an innovative and adaptable in-state solution for
5 managing surplus natural gas that aligns with the state's long-term energy goals.

6 The products produced by the Project are in high demand. The Project will produce three
7 primary products: Group III+ base oils, ultra-low sulfur diesel (“ULSD”), and naphtha:

- 8 ○ Group III+ Base Oils: Cerilon's base oils will be premium quality synthetic fluids
9 classified as Group III+ base oils. These base oils are the primary component of
10 premium lubricants (e.g., synthetic motor oil). Use of these base oils increases
11 engine efficiency and creates fuel and greenhouse gas emission savings. The
12 chemical characteristics of these base oils allow for their use in specialty
13 applications such as in electric vehicles, in medical applications or as coolant for
14 data centers. GTL base oils are special because of their stability, non-toxic makeup,
15 and unique chemical properties. Base oils from the Trenton facility will be the first
16 Group III+ base oils produced anywhere in North America at scale and will reduce
17 the need to import these products. Demand in the United States for premium base
18 oils is projected to rise 6.94% annually through 2027. There are no producers of
19 Group III+ base oils in North America. Local demand for these premium products
20 is fully satisfied via imports from Indonesia and the Middle East.
- 21 ○ ULSD: Cerilon's ultra-low sulfur diesel (“ULSD”) will be a drop-in alternative for
22 crude oil-based diesel that offers a higher cetane level and cleaner engine burn with
23 reduced emission levels. Unlike conventional diesel, GTL diesel is non-toxic,
24 nearly odorless, is readily biodegradable and can be stored longer than conventional
25 diesel. These characteristics makes it suitable for specialty applications such as for
26 military use, in confined spaces (e.g., mining operations) or in sensitive
27 environments (e.g., marine uses). The demand for distillate fuel oils, including
28 ULSD, is projected to remain strong in the United States through 2050.
- 29 ○ Naphtha: The highly paraffinic naphtha to be produced by the Project is a mixture
30 of hydrocarbons that may be sold to a petroleum refinery to be further processed
31 into finished product gasoline, to chemical plants as ethylene cracker feedstock, or

1 to an oil producer in the oil sands of Alberta, Canada, to be used as a diluent to
2 reduce oil sands bitumen viscosity for pipeline transport.

3 • Electric Generation: The Project will produce excess heat energy that will be used to power
4 steam turbines and generators. These turbines and generators at each GTL facility will be
5 capable of meeting the electrical demand of that facility during normal operations, with
6 excess power sold to the grid. Purchased electricity will be required during facility startup,
7 during shutdowns, and in the event of failure of onsite generation. The power generated
8 varies with the age of the catalysts in the process. Cerilon is negotiating commercial
9 agreements with the local power cooperatives to facilitate base load management using a
10 buy all / sell all arrangement. Development and industry in Western North Dakota has
11 created the need for additional generation.

12

13 **Q18. What are the Project's estimated costs?**

14 A. Phase 1 of the Project has an estimated cost of over \$3 billion. Cerilon has not publicly
15 released a final capital estimate as we consider this to be commercially sensitive
16 information. This estimate is subject to change as the project develops. Cerilon has not
17 estimated the cost to construct Phase 2, but it is expected to be comparable to Phase 1.

18

19 **Q19. Please describe the Project's interconnection arrangements.**

20 A. Cerilon intends to enter into a buy all / sell all power purchase agreement with Basin
21 Electric that allows for better management of base load in the system. Under this
22 arrangement, Cerilon will sell all power generated on site to Basin Electric and purchase
23 the power required to operate the facility resulting in a net export of power. The Project
24 will need to be interconnected for both demand and supply. Cerilon will construct, own,
25 and operate electrical infrastructure inside the Project Site, and Lower Yellowstone Rural
26 Electric Cooperative (“LYREC”) will construct, own, and operate infrastructure beyond
27 the Project Site.

28 Cerilon filed an application for a Generator Interconnection Agreement with the Southwest
29 Power Pool (“SPP”) in October 2023. The SPP concluded their phase 1 studies on 2023
30 applicants and reached Decision Point 1 in March 2024. Cerilon has entered into Decision
31 Point 2 studies and the SPP schedule indicates that this phase will conclude in May 2025,

1 with the initiation of Generator Interconnect Agreements in October 2025. Cerilon will
2 have a Generator Interconnect Agreement in place prior to start of construction.

3

4 **Q20. Explain Cerilon's proposed timeline for construction and operation of the Project.**

5 A. During the FEL2 engineering stage, important de-risking actions and decisions were taken
6 that improved the accuracy of the Phase 1 project schedule. Construction of Phase 1 is
7 anticipated to start in mid-2026, rather than in 2025 as proposed in the Application.
8 Commissioning and start up will still occur in 2028 with full commercial operations in
9 2029. Phase 2 construction is still to be confirmed but is anticipated to start in 2030, with
10 operations beginning in 2033.

11

12 **Q21. What is the status of land and easement acquisition for the Project?**

13 A. Cerilon has purchased (200 acres) and is under contract to purchase (170 acres) a total of
14 370 acres of contiguous land sufficient for two Phases. Easements required for ancillary
15 facilities owned by third parties in support of the Project (e.g., raw water supply, natural
16 gas supply, CO₂ export pipeline) will be secured by the third-party owner/operators of that
17 infrastructure.

18

19 **III. Environmental Studies**

20

21 **Q22. Please provide a general description of the land use in the Project Site.**

22 A. The Project Site includes a total of 370 acres, with the primary land use being agricultural.
23 The largest land use is cultivated croplands of 240 acres. The second largest land use is
24 pastureland covering approximately 93 acres.

25

26 **Q23. What environmental studies were completed to support the Application?**

27 A. Cerilon evaluated the Project's potential impacts on the area within one mile of the Project
28 Site (the "Study Area"). Cerilon has completed the following studies in support of the
29 Application:

30 • Phase I Environmental Site Assessment: (Desktop and on-site Fall 2022) (Dkt. No.
31 1 at Appendix C (Cerilon 000135));

- Phase II Environmental Site Assessment: (On-site Fall 2023) (to be filed);
- Wetland Delineation Report: (Desktop and on-site Fall 2022) (Dkt. No. 1 at Appendix D (Cerilon 000400));
- Threatened and Endangered Species Evaluation: (Desktop and on-site Summer 2023) (Dkt. No. 1 at Appendix E (Cerilon 000466));
- Class III Cultural Resource Inventory: (Class I desktop evaluation; on-site evaluation Fall 2022) (Dkt. No. 7; Application Appendix F (Redacted));
- Preliminary Noise Model (Desktop 2024, based on preliminary equipment list) (to be filed); and
- Traffic Impact Study (Desktop and on-site Winter 2023) (to be filed).

These studies were either submitted with the Application or otherwise provided in advance of the hearing.

Q24. Has Cerilon designed the Project to avoid, minimize, and mitigate environmental impacts to the greatest extent possible.

A. Yes. To align with our corporate sustainability principles, Cerilon considers environmental impacts in all areas of project design. Early engineering decisions have been made to include carbon capture and sequestration (“CCS”), recover as much energy as practicable from the process to generate electricity, reduce water use, and include best available air emission control technology. As engineering progresses, other aspects including resource use efficiency, waste management, stormwater management, dust control, fugitive emission controls and minimization of and light and sound effects will be addressed by design and use of best management practices.

A. Threatened and Endangered Species

Q25. Are there any threatened or endangered species or designated critical habitat occurring within the Project?

A. Cerilon used the US Fish and Wildlife Service (“USFWS”) Information for Planning and Conservation (“IPaC”) tool to identify the potential for threatened or endangered species to occur within the Project Site and to evaluate whether designated critical habitat is present

1 within the Project Site. The IPaC tool identified five threatened and endangered species
2 that could potentially occur within the Project Site: the whooping crane (endangered),
3 Dakota skipper butterfly (threatened), northern long-eared bat (“NLEB”) (endangered),
4 piping plover (threatened), and rufa red knot (threatened). The Threatened and Endangered
5 Species Evaluation¹ indicated the Project will have “no effect” for the whooping crane and
6 Dakota skipper; is “not likely to adversely affect” for the piping plover and red knot; and
7 “may affect, not likely to adversely affect” for NLEB.

8

9 **Q26. Please describe the findings of Cerilon’s analysis with respect to the NLEB.**

10 A. Cerilon’s study identified potentially suitable trees on the Project Site that could provide
11 roosting habitat for the NLEB. The Project is anticipated to remove up to 0.5 acres of trees
12 within the Project Site.

13

14 **Q27. Will Cerilon avoid and minimize potential adverse impacts to NLEB?**

15 A. Yes. No NLEB were detected at the Project Site during the on-site portion of the
16 Threatened and Endangered Species Evaluation. The Project Site is largely free of trees
17 and shrubs except near the creek and irrigation canal that cross the site; however, tree
18 removal will be required by the Project. All trees will be inventoried, mature trees will be
19 preserved where possible and tree removal will only occur outside of the USFWS
20 recommended timing restrictions from April 1 to October 3. As such, the Project is sited
21 to avoid potential adverse impacts to NLEB.

22

23 **Q28. Please describe the findings of Cerilon’s analysis with respect to other threatened and
24 endangered species identified by the USFWS as potentially occurring within the
25 Project area.**

26 A.

27 • Whooping Crane: The Project primarily occurs in agricultural land and along
28 residential areas, which does not provide suitable habitat for whooping crane.

29 • Dakota Skipper: The Project Site consists of a mix of pasture and cropland not suitable

¹ Dkt. No. 1 at Appendix E, § 2 (Cerilon 000468).

1 as Dakota skipper habitat.

2

- 3 Piping Plover: The Project area does not contain shoreline or sandbars that are suitable
- 4 habitat for piping plovers.
- 5 Red Knot: Wetland delineations conducted by Barr on September 12-13, 2023,
- 6 concluded that the wetlands within the Project Site are seasonal basins and intermittent
- 7 stream communities, which would not provide suitable habitat for the red knot.

8

9 **Q29. Will Cerilon avoid and minimize potential adverse impacts to other threatened and**

10 **endangered species identified by the USFWS as potentially occurring within the**

11 **Project Site.**

12 A. Due to the absence of suitable habitat, it is anticipated that the Project will have no effect

13 on the whooping crane, and is not likely to adversely impact the Dakota skipper, piping

14 plover, or red knot species.

15

16 **B. Bald and Golden Eagles**

17 **Q30. How are bald and golden eagles treated under federal environmental law?**

18 A. Bald and golden eagles are not considered “threatened or endangered” under the

19 Endangered Species Act. Eagles are protected under the Migratory Bird Treaty Act

20 (“MBTA”) and the Bald and Golden Eagle Protection Act (“BGEPA”). The BGEPA does

21 not designate critical habitat, but it does protect individual eagles and nests from

22 disturbance.

23

24 **Q31. Please describe the findings of Cerilon’s analysis with respect to bald and golden**

25 **eagles.**

26 A. The North Dakota Game and Fish Department (“NDGF”) has identified key habitats for

27 bald and golden eagles in the badlands, Lake Sakakawea, and within the Missouri River

28 system. The closest key habitat, the Missouri River system, is located over two and three-

29 quarter (2.75) miles southwest of the Project Site. Barr Engineering contacted staff at

30 NDGF in May 2023, who confirmed via email that there are no known bald or golden eagle

31 nests within one (1) mile of the Project Site. Given the lack of suitable habitat, it is

1 anticipated that the Project will have no effect on either species.
2

3 **Q32. Will Cerilon avoid and minimize potential adverse impacts on the bald and golden
4 eagles?**

5 A. Yes. No eagles or eagle nests were identified in the Study Area. Out of an abundance of
6 caution, Cerilon will continue to monitor for eagles and eagle nests and will implement
7 additional mitigative measures as needed. As such, the Project is sited to avoid potential
8 adverse impacts to the bald and golden eagles.

9

10 **C. Geology**

11

12 **Q33. Please describe Cerilon's review and studies of geologically unstable areas and efforts
13 to avoid areas of geological instability.**

14 A. Cerilon completed a desktop review of the various geological datasets from the ND
15 Geological Survey and no known areas of geological instability occur within the Project
16 Site or Study Area were identified. Sinkholes are commonly associated with historic
17 mining activities in North Dakota. However, no evidence of mining activities was
18 identified within the Project Site. The Project will require a minor amount of permanent
19 terrain modification to grade the site and manage stormwater. Cerilon has completed
20 geotechnical investigations to confirm that the property is suitable for construction and is
21 currently designing equipment foundations appropriate for the site's geology.

22

23 **D. Wetlands and Woodlands**

24

25 **Q34. Please describe the Project's potential impacts to wetlands.**

26 A. Four wetlands and two other waters were identified during the field wetland delineation
27 study. The delineated wetlands were primarily associated with natural drainages and
28 depressions. The delineated other waters are identified as a section of the Eightmile Creek
29 flowing through the Project Site, as well as the man-made Buford-Trenton Irrigation Canal.
30 The largest wetland on the Project Site is within the USACE flowage easement and will be
31 avoided. The site was selected to accommodate two phases with the footprint minimized

1 as much as possible; therefore, the size and geometry of the Project Site and the need for a
2 safe and efficient design of the project will require development of most of the
3 property. As a result, approximately 0.13 acres of wetlands and 9.2 acres of drainages will
4 be filled during construction. Ultimately, completely avoiding impacts to wetlands is not
5 feasible and there is no reasonable alternative to impacting the negligible 0.13 acres of
6 wetlands. If there was an opportunity to avoid any of these small wetland areas, they would
7 be surrounded by industrial activity and would not provide suitable habitat for wetland
8 species.

9

10 **E. Trees and Shrubs**

11

12 **Q35. Describe the Project's impact on trees and shrubs.**

13 A. The Project Site is largely free of trees and shrubs except near the creek and irrigation canal
14 that cross the site. Due to the space needed for the Project's facilities, the Project will
15 require the removal of trees and shrubs in areas larger than 50 feet to accommodate
16 construction and safe operation of the Project. Cerilon understands that this will require a
17 modification of the Commission's Standard Tree and Shrub Mitigation Specifications. The
18 Project will otherwise comply with the remainder of the Tree and Shrub Mitigation
19 Specifications.

20

21 **Q36. Does Cerilon request the ability to clear an area wider than 50 feet within the Project?**

22 A. Yes. Cerilon requests the Commission waive its standard Tree and Shrub Mitigation
23 Specification limiting clearance of trees and shrubs to 50 feet in width to accommodate
24 construction and operation of the Project. Cerilon believes this request is reasonable as
25 Cerilon will own the Project Site. Cerilon will conduct tree removal consistent with the
26 Commission's mitigation specifications, including:

27

- 28 • Inventorying the location, number, and species of trees and shrubs;
- 29 • Selectively clearing trees and shrubs, leaving mature trees and shrubs intact where
practical;
- 30 • Planting two new native trees or shrubs for each removed tree or shrub, regardless
of species;

1 • Filing the results of the tree and shrub replacement with the Commission; and
2 • Annually inspecting the tree and shrub replacements and submitting a final report
3 to the Commission.

4

5 **F. Grasslands**

6

7 **Q37. Describe the Project's impact on grasslands.**

8 A. Grasslands present within the Project Site were evaluated by a qualified biologist in 2023.
9 The vegetative community in this area was comprised primarily of crested wheatgrass,
10 western wheatgrass and smooth brome. These species are typical of disturbed areas and are
11 unlikely to provide quality habitat for any threatened, endangered, or other sensitive
12 species. Adjacent industrial and active cropland also contribute to the overall unsuitability
13 of the grasslands in this area with regards to their capacity to support sensitive species.
14 Based on a review of available desktop materials including aerial photography, grassland
15 maps, the United States Department of Agriculture's Web Soil Survey data, and the
16 National Wetlands Inventory coupled with a site visit by a qualified biologist, it was
17 determined that the Project Site is unlikely to support any threatened, endangered, or other
18 sensitive species.

19
20 **Q38. Describe Cerilon's coordination with the United States Fish and Wildlife Service.**

21 A. Representatives from Cerilon and Barr Engineering met with USFWS at its Bismarck,
22 North Dakota field office on May 25, 2023. At this meeting, the attendees reviewed the
23 Project location and scope, and the IPaC report of endangered species and critical habitat
24 for the Project site. USFWS made recommendations for a field survey and habitat
25 assessment. In a letter dated May 24, 2024, USFWS noted that it appreciates the early
26 contact by Cerilon to discuss the Project and Cerilon's willingness to cooperate with
27 USFWS. USFWS did not identify any concerns with the Project and recommended that
28 the proposed Project actions and commitments should be re-analyzed if new information
29 reveals or changes are made to the Project which result in potential negative impacts to
30 listed species or critical habitat, or if new species are listed as endangered or critical habitat
31 designated which may be affected by the Project.

1

2 **Q39. Describe Cerilon's coordination with North Dakota Game and Fish.**

3 A. In May 2023, Cerilon's consultant Barr Engineering reached out to NDGF regarding bald
4 eagle and golden eagle nest locations in the vicinity of the project. On June 9, 2023, a
5 consultation letter was sent to NDGF describing the Project, its location, and requested
6 comments from NDGF on the Project. To date, NDGF has not provided any comments on
7 the Project or responded to the letter. In mid-2023, Barr engineering twice attempted to
8 contact NDGF at its Bismarck office and left voicemails requesting consultation regarding
9 the Project, feedback on the analyses NDGF would like to see completed, and guidance for
10 minimizing and avoiding impacts to sensitive species in general. As of the date of this
11 testimony, neither Barr nor Cerilon has received a response from NDGF regarding the
12 Project.

13

14 **G. Sound**

15

16 **Q40. Describe the Project's potential sound generation.**

17 A. The facility will generate sound which will be audible outside the property. There are no
18 numerical sound ordinances that apply to the Project; however, Cerilon engaged Barr
19 Engineering to model offsite sound levels from the Project for both scenarios with Phase 1
20 only operating and both Phase 1 and 2 operating. The current state of project design
21 includes only high-level sound emission information and the analyses are limited to
22 simplified assumptions about source frequency characteristics. Barr's modeling approach
23 provides a conservative approximation of potential frequency-specific impacts and refined
24 source frequency information may yield lower modeled dBA levels. This initial modeling
25 provides a useful check for ongoing Project design and a guide toward potential mitigation
26 opportunities.

27 With these caveats noted, the five nearest residences modeled sound levels ranging from
28 46 to 56 dBA depending on location and project phase. As most facility source sound
29 emission levels are similar, culpability for offsite impacts is primarily a function of
30 proximity between emission sources and receptors. Elevated sources like coolers and
31 condensers are less shielded by plant structures and have slightly higher influences than

1 ground-level sources like pumps. The propagation of noise into the environment is
2 dependent on a number of factors. Lower-frequency sounds generally propagate better
3 through the air than higher frequency sounds (i.e., lower-frequency sounds will be audible
4 further from a source than a higher-frequency sound of the same intensity). The ambient
5 temperature, humidity, wind, and other atmospheric affects also impact the propagation of
6 sound into the environment.

7

8 **Q41. Will Cerilon avoid and minimize potential adverse impacts associated with sound**
9 **generation from the Project?**

10 A. Yes. Cerilon will work to mitigate sound to the greatest extent possible. Mitigation
11 approaches for sound include regular maintenance of equipment, scheduling noisier
12 construction activities during daylight hours whenever possible, enclosing loud equipment
13 within a structure, and placing physical barriers to block sound. Physical obstructions,
14 both natural and man-made, can also attenuate sound impacts and Cerilon will incorporate
15 sound mitigation into the Project design to the greatest extent possible. This will include
16 the installation of a sound buffer in accordance with our Williams County Conditional Use
17 Permit. A final plan for a sound buffer will need to be made as civil works become better
18 defined during the next stage of engineering, with input from neighbors and the
19 County. The sound modeling described earlier does not account for the buffering that
20 Cerilon will utilize to mitigate sound impacts.

21

22 **H. Traffic**

23

24 **Q42. Describe the Project's potential impact on traffic in the area.**

25 A. A traffic impact study was conducted in accordance with North Dakota Department of
26 Transportation requirements to understand the potential impacts of the Project on adjacent
27 roads and Highway 1804. Cerilon is planning two access points to the Project Site, a
28 primary access located on the south side of the property from 42nd Street NW and a
29 secondary access located on the east side of the property from 147th Avenue NW. The
30 primary access on 42nd Street NW will include both a main driveway and a delivery
31 driveway. The traffic study includes real-time collection of traffic data to assess current

1 conditions and includes capacity analyses for future build-out scenarios. This traffic study,
2 in accordance with DOT requirements, focused on traffic during operations and looked at
3 Phase 1 and combined Phase 1 and 2 operations to understand the full build out at the site.

4

Traffic Source (daily)	Phase 1	Phase 2 (Additional)	Phase 1 + Phase 2
Cerilon Site Access			
Daytime Staff	143	87	230
Nighttime Staff	22	7	29
Contractors	50	40	90
Site Delivery	4	4	8
Savage Services Driveway			
Product Tanker Trucks	76	76	152
Note: These numbers represent individual vehicles. Each vehicle will have two trips per movement (arriving and departing).			

5
6 The traffic study has been submitted to the ND Department of Transportation (“NDDOT”)
7 and Williams County. Recommendations included improvements on 42nd Street NW and
8 147th Avenue NW to address capacity issues. Cerilon is also working with the adjacent
9 townships, Williams County and the NDDOT to coordinate necessary upgrades to handle
10 projected increases in traffic load resulting from the Project.

11
12 **Q43. Will Cerilon avoid and minimize potential adverse impacts associated with traffic
13 from the Project?**

14 A. Yes. The traffic study recommended geometric improvements to accommodate future
15 traffic conditions and Cerilon is working with the adjacent townships, Williams County
16 and the NDDOT to coordinate these upgrades:

- 17 • 42nd Street NW and Proposed Main Driveway
 - 18 ○ Construct southbound approach with one (1) ingress lane and one
19 (1) egress lane.
 - 20 ○ Provide stop-control for the southbound approach.
- 21 • 42nd Street NW and Proposed Delivery Driveway
 - 22 ○ Construct southbound approach with one (1) ingress lane and one
23 (1) egress lane.
 - 24 ○ Provide stop-control for the southbound approach.

1 • 147th Avenue NW and Proposed East Driveway
2 ○ Construct eastbound approach with one (1) ingress lane and one
3 (1) egress lane.
4 ○ Provide stop-control for the eastbound approach.

5
6 The NDDOT requires a traffic study that is based on capacity only, and the study found
7 that changes to access from HWY 1804 were not warranted. However, Cerilon highlighted
8 to the NDDOT the need for a turning lane on HWY 1804 at 147th as we know that this is a
9 concern for existing residents. In June 2024, NDDOT issued a request for proposal relating
10 to the design of a southbound left turn lane at 147th Avenue NW / 44th Lane NW for the
11 Project Site along ND 1804. Cerilon has also committed to local residents that its primary
12 entrance to the Project Site will be on 42nd Street and the secondary access on 147th Avenue
13 will be used only during construction, plant turnarounds and for emergency egress.

14 During construction there will be a number of large modules transported to site from the
15 Duluth Seaport and smaller modules transported from Alberta and Texas. We are working
16 with the North Dakota and Minnesota Departments of Transportation to plan routes so that
17 these modules can be delivered safely on existing infrastructure. Construction traffic to
18 and from the site will be managed as part of a Construction Management Plan that will be
19 developed prior to the start of construction and will be reviewed with the townships,
20 Williams County and the NDDOT.

21
22 **I. Air Emissions**

23
24 **Q44. What air emissions are expected to be generated by the Project?**

25 A. The Project will include equipment that generates air emissions, including (but not limited
26 to) fuel combustion sources; process gas flares, organic liquid storage vessels, stationary
27 internal combustion engines such as emergency generators, process wastewater treatment
28 equipment, and fugitive emissions from process equipment and piping. Emissions from
29 the operating facility will include nitrogen oxides (“NO_x”), carbon monoxide (“CO”),
30 particulate matter (“PM”), volatile organic compounds, greenhouse gases and sulfur
31 dioxide (“SO₂”). Construction activities will also generate emissions from heavy

1 machinery engine exhaust, fugitive dust, and other sources.
2

3 **Q45. Describe the steps Cerilon will take to mitigate air emissions.**

4 A. Mitigative measures to control air emission impacts will be required initially by the
5 facility's Permit to Construct and eventually the facility's Title V Permit to Operate, both
6 of which are under the North Dakota Department of Environmental Quality's ("NDDEQ").
7 jurisdiction. In accordance with NDAC § 33.1-15-14, Cerilon must apply for, and the
8 NDDEQ must issue a Permit to Construct ("PTC") before construction, installation, or
9 establishment of the site. The PTC application requires identifying all sources of air
10 emissions Cerilon proposes to construct, the regulations that apply to those emission
11 sources, and the measures that will be taken to comply with the applicable regulations. A
12 Prevention of Significant Deterioration ("PSD") permit is required for large projects such
13 as this one that Cerilon proposes and includes enhanced evaluations beyond those typically
14 required for smaller projects. The evaluations required for a PSD permit application include
15 evaluation and installation of the best available control technology ("BACT") on sources
16 of air emissions, modeling the Project's impacts to air quality and visibility, analyzing other
17 potential environmental impacts, and identifying all federal and state regulations which
18 will apply to the Project.

19 Cerilon recently applied for a major Prevention of Significant Deterioration ("PSD")
20 permit in accordance with NDAC § 33.1-15-15, which the NDDEQ is currently evaluating.
21

22 **J. Topsoil**
23

24 **Q46. How will Cerilon handle topsoil removal during construction?**

25 A. Cerilon conducted a preliminary soil survey to evaluate the reclamation suitability of
26 material on the project site. The data indicated there is adequate organic matter content in
27 the top 12 inches of soil that would be suitable for reclamation. However, the data also
28 indicated that a portion of the site currently used for pasture consists of silty clay or silty
29 clay loam soil that is not suitable for reclamation due to elevated salt and/or sodium content.
30 Cerilon will strip and segregate topsoil that is deemed by a qualified environmental
31 consultant to be of sufficient quality for reclamation purposes and will either stockpile the

1 material on site in accordance with best practices or will transport topsoil to another user
2 for reclamation or storage in the local region. Subsoils will be stored, used on site or
3 transferred to another site for reclamation purposes or storage. This approach requires an
4 amendment to the text of the Commission's certification to allow for additional flexibility
5 to address both the limited storage area on site and the presence of soils not suitable for
6 reclamation purposes on the site.

7

8 **IV. Cultural and Historic Resources**

9

10 **Q47. Describe the cultural and historic resource assessments conducted for the Project.**

11 A. Cerilon conducted a Class III cultural resources inventory of the Project Site in accordance
12 with the State Historical Society of North Dakota Class III Intensive Pedestrian Cultural
13 Resources Inventory standards. This inventory included a field survey of the Project Site
14 in Fall 2022, as well as a Class I desktop evaluation. (Dkt. 7, Application Appendix F
15 (Redacted)).

16

17 **Q48. Describe the results of the cultural and historic resource assessments that Cerilon
18 conducted for the Project.**

19 A. The Project site was inventoried in accordance with the State Historical Society of North
20 Dakota ("SHSND") Class III Intensive Cultural Resource Inventory standards (SHSND
21 2020). Special attention was given to areas of increased ground surface visibility and
22 exposures of subsurface sediments (e.g., cut banks, rodent burrows, ant mounds, and
23 erosional features). When an artifact or feature was encountered, the location was marked
24 with a flag and the area around the artifact was intensively inspected to locate other
25 associated artifacts or features. A Class I Literature Review was also conducted to identify
26 previously recorded cultural resources within one mile of the Project.

27 Overall, the Class III and Class I evaluations identified two previously recorded cultural
28 resources, and three newly recorded cultural resources within the Project site:

29

- 30 • 32WIx754: was previously recommended *Not Significant* for the North Dakota
31 State Historic Sites Registry. No cultural material was encountered at or near the
location of the previous isolated find during the field survey conducted as part of

1 the Class III inventory. The isolated find was again recommended *Not Significant*
2 for the North Dakota State Historic Sites Registry, and no additional work or
3 avoidance measures were recommended for the Project.

4 • 32WI1367: was previously recommended *eligible* for the National Register of
5 Historic Places (“NRHP”) and its presence was confirmed during the field survey.
6 However, the site will be avoided by Project activities and was not further
7 evaluated.

8 • 32WIx834: was identified during the field survey. However, the area surrounding
9 the location of the find, had good ground surface visibility and no other cultural
10 material was identified surrounding the isolated find. The isolated find was
11 recommended *Not Significant* for the North Dakota State Historic Sites Registry,
12 and no additional work or avoidance measures were recommended for the Project.

13 • 32WI2473: a historic farmstead identified during the field survey which was
14 recommended Not Significant for the North Dakota State Historic Sites Registry,
15 with no further work or avoidance measures recommended.

16 • 32WI2474: a historic farmstead identified during the field survey which was
17 recommended Not Significant for the North Dakota State Historic Sites Registry,
18 with no further work or avoidance measures recommended.

19 The initial report was submitted to SHSND on April 6, 2023. SHSND replied on May 4,
20 2023, requesting additional information be added to the report. A revised report was
21 submitted to SHSND on May 30, 2023, which included the additional information
22 requested and included language indicating that Cerilon will be applying for a Certificate
23 of Site Compatibility to the Commission for the construction of a GTL Facility. SHSND
24 replied on June 30, 2023, requesting three additional items be revised in the report. A
25 revised report was submitted to SHSND on October 12, 2023, which addressed these
26 requests. Via a letter² submitted on November 3, 2023, the SHSND determined that there
27 are no significant sites affected by the Project, provided that site 32WI1367 is avoided, as
28 noted above.

29

² See Dkt. No. 23(2) (Supplemental SHSND Correspondence).

1

2 **Q49. Will the Project impact the identified cultural and historic sites?**

3 A. The Project will avoid direct impacts to sites eligible or potentially eligible for listing on
4 the NRHP, sites that have been deemed culturally sensitive or sites that have not been
5 evaluated for NRHP eligibility. Cerilon's avoidance approach incorporates the
6 recommendations by Cerilon's environmental consultant and approved by the SHPO in its
7 concurrence letter.

8

9 **Q50. Does Cerilon have procedures in place to address previously unidentified cultural
10 resources encountered during construction?**

11 A. Yes. Cerilon will implement an Unanticipated Discoveries Plan ("UDP") to provide
12 guidance if previously unidentified cultural resources are discovered during construction.
13 Training will be provided to construction personnel on unanticipated discovery procedures
14 and notification protocols.

15

16 **V. Additional Project Coordination and Public Outreach**

17

18 **Q51. Describe Cerilon's additional project coordination efforts.**

19 A. Cerilon has been working closely with the North Dakota Department of Commerce and
20 Williams County to align the Project with the objectives and requirements of state and local
21 government. Cerilon is working with local emergency service providers to identify service
22 gaps and develop a plan to meet project needs and enhance local services. We have met
23 with state, county and federal regulatory agencies to provide Project information and solicit
24 guidance on Project design, application content and mitigation options. Cerilon engaged
25 the North Dakota Department of Environmental Quality early in Project development and
26 has been keeping various NDDEQ departments informed of project progress. We have
27 had ongoing consultations with the NDDEQ Air Quality Division to ensure that the Permit
28 to Construct application that was submitted in May 2024 met their expectations. Cerilon
29 has engaged with the North Dakota Department of Transportation to solicit input on and
30 review proposed access changes required for the site.

1

2 **Q52. Explain Cerilon's outreach to the public and local political subdivisions regarding the**
3 **Project's development.**

4 A. Cerilon engaged in significant outreach with the public, landowners, and agencies
5 throughout the development of the Project. From an early stage in the Project's
6 development, Cerilon has worked closely with State, County, and Township officials to
7 align the Project with the objectives and requirements of state and local governments.
8 Cerilon has provided in-person opportunities for neighbors and local landowners to receive
9 information about the Project, ask questions, express concerns, and discuss potential
10 options for addressing those concerns. On November 8, 2023, Cerilon held an open house
11 event in Trenton, North Dakota to provide the local community with information about the
12 Project and to address community questions about the Project. Additionally, Cerilon has
13 engaged with the Eight Mile School District, representatives from the Trenton Indian
14 Services Area, local emergency service providers and state, federal, and local regulators to
15 discuss the Project and identify ways Cerilon can support their efforts and strengthen the
16 local community.

17

18 **Q53. Explain how Cerilon has demonstrated its commitment to involvement with the local**
19 **community.**

20 A. In addition to its community outreach efforts, Cerilon has provided sponsorship for
21 community events and economic development organizations. We will continue to seek out
22 opportunities to support local community agencies and initiatives.

23

24 **Q54. What efforts has Cerilon made to mitigate impacts to neighboring landowners?**

25 A. Five residences are adjacent to the Project Site. Cerilon has engaged in numerous
26 individual meetings with these neighbors to understand their concerns with the Project.
27 Cerilon is committed to working with these neighbors to address impacts of the Project
28 through mitigation measures to address specific concerns, project design changes (where
29 possible), and other options to be identified during consultation with the landowners.
30 Cerilon's CUP from Williams County requires it to provide a buffer strip around the Project
31 Site. Cerilon is committed to working with neighboring landowners to design the buffer

1 in a manner to mitigate impacts to neighboring landowners as much as possible.
2

3 **Q55. What are some of the anticipated economic benefits of the Project?**

4 A. The Project will have positive economic impacts for the local community and the region
5 by adding infrastructure, increasing the county's tax base, and providing jobs. Cerilon
6 anticipates that the Project will create over 2,000 direct jobs during construction, with a
7 total of over 2,500 direct, indirect, and induced jobs during the construction phase. During
8 operation, there will be approximately 100 direct employment opportunities with an
9 additional 2,000+ indirect and induced jobs created by the Project.

10 Cerilon plans to use local contractors and suppliers, where feasible, for portions of
11 construction that will contribute to the economy of Williams County. Purchases of products
12 to construct and operate the facility, such as fuel, equipment, services, and supplies will
13 benefit the local businesses of Williams County, as well as the State of North Dakota.
14 Many aspects of construction will require a specialized workforce that will likely
15 temporarily relocate to the region during construction.

16 The Projected Economic Impacts from the Project are as follows:

Benefit	Development and Construction	Operation
Job Creation	500 to 2,600 ⁽¹⁾	1,700 to 2,800 ⁽¹⁾
Wages and Salaries	100 MM Annual Average 580 MM 5-Year Impact	135 MM Annual Average 680 MM 5-Year Impact
State GDP	230 MM Annual Average 1,400 MM 5-Year Impact	575 MM Annual Average 2,900 MM 5-Year Impact
State Output	400 MM Annual Average 2,400 MM 5-Year Impact	1,300 MM Annual Average 6,600 MM 5-Year Impact
State Tax Revenue (total)	25 MM Annual Average 150 MM 5-Year Impact	72 MM Annual Average 360 MM 5-Year Impact

17 ⁽¹⁾Total Direct, indirect, and induced employment within the State (varies by year).

1 **VI. Compliance with the Commission's Siting Rules**

3 **Q56. Are you familiar with the Exclusion Areas, Avoidance Areas, Selection Criteria, and**
4 **Policy Criteria identified in Chapter 69-06-08 of the North Dakota Administrative**
5 **Code?**

6 A. Yes. The studies and surveys conducted for the Project included an assessment of the
7 Commission's Siting Criteria which are discussed in the Application at § 6.

9 **Q57. Are there any Exclusion Areas located within the Project Site?**

10 A. No.³

12 **Q58. Are there any Avoidance Areas located within the Project Site?**

13 A. Yes.⁴ The following Avoidance Areas are present within the Project Site: Historical
14 resources not designated as exclusion areas; areas within known floodplains; and
15 woodlands and wetlands.

16 a. Historical Resources:

17 The Buford-Trenton Project is an operating irrigation canal previously
18 recommended as eligible for the NRHP runs through the Project. The U.S. Bureau
19 of Reclamation has an easement for the canal's route through the Project. Cerilon
20 does not intend to encroach on or impact the canal or the easement.

21 b. Areas within Floodplains:

22 The Project Site is not currently mapped in the Federal Emergency Management
23 Administration's ("FEMA") flood hazard mapping program and is not identified as
24 within the 100-year or 500-year floodplain with the exception of an area bounded
25 by 42nd St NW, 147th Ave NW, and the irrigation canal. The USACE has been
26 granted a flowage easement for this area, which restricts development and
27 construction of the land without written approval from USACE due to potential
28 flooding due to the operation of the Garrison Dam.

29 ³ See Dkt. No. 1 at § 6.4 (Cerilon 000048).

4 ⁴ See Dkt. No. 1 at § 6.5 (Cerilon 000049).

1 At the time of the application, Cerilon was considering construction of guy wire
2 foundations to support the two flares within the USACE flowage easement. Further
3 refinement of the plot plan indicated that these are no longer required and no
4 activity is planned within the flowage easement.

5 The North Dakota flood risk assessment map identifies multiple low-lying areas in
6 the Project Site with a 1% annual risk of flooding. These areas are primarily located
7 adjacent to the natural drainages. The Project Site's relatively small size and
8 geometry, existing infrastructure in and around the Project Site, and safe and
9 efficient design of the Project will require the development of most of the rest of
10 the Project Site, including in areas with a 1% annual flood risk. Because of the site
11 constraints, there is no reasonable alternative for utilizing these areas of the Project
12 Site. However, Cerilon will fill and grade the site to eliminate the risk of flooding
13 in these low-lying areas and will develop a stormwater management system to
14 collect and manage runoff. Physical observations at the site indicate that the
15 culverts that allow Eightmile Creek to pass under 147th Avenue NW on the east
16 side of the Project Site may be undersized. Cerilon is assessing whether these
17 culverts need to be replaced with larger culverts to accommodate controlled
18 industrial stormwater runoff from the site. The Project is not projected to cause or
19 contribute to flooding at or near the site.

20 c. Woodlands and wetlands:

21 Approximately 0.13 acres of wetlands will be impacted by the Project.
22 Additionally, the Project will require the removal of trees and shrubs in areas
23 greater than 50 feet to accommodate construction and operation of the Project. As
24 previously stated, there are no reasonable alternatives to avoid these impacts and
25 Cerilon will follow the Commission's Tree and Shrub Mitigation Specifications.

26
27 **Q59. Please address the Commission's Selection Criteria.**

28 A. Of the Commission's Selection Criteria in N.D. Admin. Code §§ 69-06-08-01(5), Cerilon
29 anticipates no significant adverse effects.⁵ There will be no adverse impacts to agricultural

⁵ Table 6-3 in Exhibit 1 at Cerilon 000051 (Project Application).

1 production outside of the Project Site. There will be minimal adverse impacts to family
2 farms and ranches outside the Project Site; however, Cerilon is committed to working with
3 neighboring landowners to mitigate impacts of the Project, to the extent practicable. The
4 Project will have minimal impacts to recreational programs and facilities as the Project will
5 be visible to those engaged in recreational activities on adjacent properties or nearby public
6 lands. However, existing heavy industrial operations are already present in the area.

7 The Project will increase traffic on nearby highways and county roads. Cerilon is working
8 with the adjacent townships, Williams County and the NDDOT to coordinate necessary
9 upgrades to minimize the impact to traffic. Although the Project will increase background
10 sound levels in its vicinity, Cerilon is coordinating with stakeholders to identify and
11 mitigate sound impacts. The Project will be well-lit to allow for the operations and to
12 improve monitoring of site security. Cerilon is coordinating with stakeholders to identify
13 and mitigate any potential impacts to nearby light sensitive land uses, if any exist near the
14 Project.

15

16 **Q60. Please address the Commission's Policy Criteria.**

17 A. Cerilon has maximized the benefits set forth in the Commission's Policy Criteria in N.D.
18 Admin. Code §§ 69-06-08-01 to the greatest extent possible.⁶ My testimony and that of
19 my colleague, Niel Erasmus, addresses how the Project complies with the Commission's
20 Policy Criteria related to monitoring of impacts, in N.D. Admin. Code §§ 69-06-08-01(6).
21 Cerilon sited the Project to avoid and minimize impacts to the greatest extent practicable.
22 During construction, environmental inspectors will be present onsite to monitor
23 construction activities and ensure compliance with the conditions of the siting certificates
24 and other permits. Cerilon has designed the Project to recycle excess heat, combustible
25 gases, and process wastewater. The Project's location was chosen due to complimentary
26 existing infrastructure in the area, including existing natural gas supply, nearby railroad
27 and pipeline connections, and the neighboring Savage facility. Cerilon will utilize local
28 labor to the extent practicable given the low unemployment and high demand for labor in
29 the area. The Project will utilize and add value to North Dakota's abundant natural gas
30 resource.

⁶ Table 6-4 in Exhibit 1 at Cerilon 000054 (Project Application).

1 **VII. Additional Permitting Requirements**

2

3 **Q61. Describe the additional permitting requirements for the Project.**

4 A. Regulatory authorizations for the Project are required from multiple agencies within the
5 State of North Dakota and Williams County. Several state authorizations are provided
6 under delegated authority from the US Government. Permit requirements are in place to
7 protect human health and the environment and to ensure that socio-economic effects are
8 also considered.

9 The Project regulatory strategy and permitting plan was developed with a target to have all
10 pre-construction permits and authorizations issued well in advance of a final investment
11 decision. It is anticipated that all key pre-construction permits will be issued by the end of
12 2024 with all other pre-construction authorizations and plans to be finalized in 2025. The
13 table below summarizes the status of key permits and authorizations as of May 2024.

14 Cerilon will also apply for other authorizations and develop management plans required by
15 county and state agencies related to activities including, but not limited to, stormwater
16 management, spill prevention, emergency planning, fuel storage, building permits, and
17 road use and utility crossing agreements. These requirements and processes are well
18 defined and are primarily based on the application of industry best practices.

19

Cerilon GTL ND Key Permits, Approvals and Regulatory Reviews ⁷					
Requirement	Regulatory Agency	Required Timing	Status (May 2024)		Estimated Completion
Owners Due Diligence					
1	Phase 1 Environmental Site Assessment	Owners Due Diligence	Prior to Land Purchase	Complete	Complete
2	Phase 2 Environmental Site Assessment	Owners Due Diligence	Pre-construction	Complete (no remediation identified)	Complete
State of North Dakota					
3	Certificate of Site Compatibility	North Dakota Public Service Commission	Pre-construction	Application submitted October 5, 2023 Hearing scheduled for June 17, 2024	Q3 2024

⁷ Additional minor permits and authorizations will be required through construction and operation. This table includes permits and reviews that have implications on project planning, design, plot plan layout or project schedule. A Water Appropriation Permit will be secured by a third-party water provider with commercial arrangements in place to manage project risk.

4	Cultural Resources Review	North Dakota State Historic Preservation Office	Pre-construction	Complete (no additional work recommended)	Complete
5	Permit to Construct (PTC) – Air Permit	North Dakota Department of Environmental Quality	Pre-construction	Application submitted May 10, 2024	Q4 2024
6	North Dakota Pollutant Discharge Elimination System Program (NDPDES) - Discharge Permit	North Dakota Department of Environmental Quality	Pre-construction	Application submitted February 5, 2024	Q4 2024
7	Construction Stormwater Pollution Prevention Plan (SWPPP) for General Permit	North Dakota Department of Environmental Quality	Pre-construction	To be submitted prior to construction	7 Days After Submission (General Permit)
8	Industrial Stormwater Pollution Prevention Plan (SWPPP) for General Permit	North Dakota Department of Environmental Quality	Pre-commissioning	To be submitted prior to operation	7 Days After Submission (General Permit)
9	Permit to Operate (PTO)	North Dakota Department of Environmental Quality	Post-commissioning	To be submitted after facility start up per NDDEQ regulations	2029
United States Government					
10	Approved Jurisdictional Determination (Wetland Delineation)	US Army Corps of Engineers	Pre-construction	Application submitted March 2023 ⁸	Q4 2024
11	Spill Prevention Control and Countermeasure (SPCC) Plan	US Environmental Protection Agency	Pre-commissioning	To be prepared prior to facility start up	2025
12	Facility Response Plan (FRP)	US Environmental Protection Agency	Pre-commissioning	To be prepared prior to facility start up	2025
County and Township					
13	Zone Change	Williams County	Pre-construction	Rezoned April 2, 2024	Complete
14	Conditional Use Permit (CUP)	Williams County	Pre-construction	CUP issued April 2, 2024	Complete
15	Stormwater Permit	Williams County	Pre-construction	To be submitted 2024	2024
Power Generation					
16	Generator Interconnection Agreement	Southwest Power Pool	Pre-construction	Application submitted October 5, 2023	2025

⁸ US Army Corps of Engineers (USACE) Approved Jurisdictional Determinations (AJD) are paused while the USACE, Environmental Protection Agency and Department of Justice review AJD decisions in light of a Supreme Court decision issued in May 2023. The USACE reviewer has verbally indicated that wetlands and waterbodies that may be affected by the project are unlikely to be found to be within USACE jurisdiction. Delay of the AJD is not anticipated to result in cost or schedule risk to the project.

1

2 **Q62. What is the status of local permitting?**

3 A. As previously mentioned, Cerilon has obtained a CUP from Williams County for the
4 Project. Remaining local agreements include Williams County building and construction
5 permits, and road use and utility crossing agreements. These will be obtained and filed
6 with the Commission prior to commencing construction in areas for which said permit or
7 authorization is required.

8

9 **VIII. Conclusion**

10

11 **Q63. In your opinion, will the Project's location and operation produce minimal adverse
12 effects on the environment and on the citizens of North Dakota?**

13 A. Yes. The Project has been sited to comply with Williams County zoning regulations and
14 the Commission's siting criteria, as well as to minimize potential impacts to existing land
15 uses, infrastructure, and environmental resources. Additionally, the Project will provide
16 significant benefits to the local community and the state. For these reasons, and as
17 demonstrated through the Application, supporting filings, and my testimony, the Project
18 will produce minimal adverse effects.

19

20 **Q64. Will Cerilon make additional commitments to minimize adverse impacts with respect
21 to the Project?**

22 A. Yes. Cerilon will comply with the requirements set forth in the Commission's Certification
23 Relating to Order Provisions for the Project.

24

25 **Q65. Does this conclude your testimony?**

26 A. Yes.