



Public Service Commission

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June 25, 2024

Mr. Ron Henke, Director
North Dakota Department of Transportation
608 East Boulevard Avenue
Bismarck, ND 58505-0700

Re: Concerns from June 17, 2024, Formal Hearing Regarding Cerilon GTL ND Inc., Cerilon GTL North Dakota Project – Williams County, Siting Application, PSC Case No. PU-23-325

Dear Mr. Henke,

The Public Service Commission (Commission) is writing to request your input regarding the siting of a Gas to Liquid (GTL) facility being developed by Cerilion GTL ND Inc. (Cerilion) approximately 1.5 miles from Trenton, ND.

The project includes two identical GTL facilities on a single 370-acre site. Each facility will convert 240 million standard cubic feet of natural gas per day into 24,000 barrels per day (bpd) of liquid hydrocarbon products, specifically lubricant base oils, ultra-low sulfur diesel (ULSD), and naphtha. The facilities will be constructed in separate phases, referred to as Phase 1 and Phase 2, anticipated to be completed and operational in 2028 and 2032, respectively. Commencement of construction for Phase 1 is anticipated to occur in the 4th quarter of 2025. Cerilion also plans to use excess steam to generate electric energy and employ carbon capture and sequestration.

The construction cost for each phase is approximately \$3.2 billion. In addition to economic benefits and job creation, the Project is of significant interest due to constraints limiting the ability of oil and gas wells in western North Dakota to maximize oil production while meeting the requirements to reduce the volume of flared gas. The Project is expected to be built in an area with tight constraints and allow additional oil to be produced while continuing to meet reduced flaring volumes.

The Project is expected to increase traffic on the Savage Bakken Petroleum Service Hub (Savage rail terminal) and nearby roadways. Cerilion intends for daily traffic generated by the Project to use the Connector Street to access the proposed driveways along 42nd Street NW. During the construction phase, construction traffic will utilize the intersection of 1804 and 147th Ave NW to access a proposed East Driveway along 147th Ave NW.

Phase 1 of the Project is anticipated to generate approximately 590 total site trips on the roadway within a typical 24-hour weekday period. At full build-out, the Project is anticipated to generate 1,018 total trips within the same period. At full build-out, the Project assumes 304 of the daily traffic to be tanker trucks. Although the traffic resulting from construction of the project is not yet known, it is expected to be substantial and is a siting concern.

On June 17, 2024, the North Dakota Public Service Commission held a Formal Hearing at The Grand Williston Hotel & Conference Center to discuss Cerilion's siting application. During the hearing, public

testimony expressed significant concerns about traffic on and around Highway 1804, Trenton, and the Savage rail terminal. Concerns included traffic turns and traveling through railroad crossings. The specific requests are summarized as follows:

1. **Bypass around Trenton:** Witnesses acknowledged the difficulty of this due to the city being bordered to the southeast by Lake Trenton and the Missouri River, and to the northwest by hills. Parking near the school often requires crossing Highway 1804, which is a safety concern due to heavy commercial truck traffic.
2. **Turn lanes on 1804:** Witnesses believed turn lanes would significantly improve safety near the Grand Treasure Casino, the Savage rail terminal, and 147th Ave NW.
3. **Blocked railroad crossings:** Witnesses expressed frustration with frequent and prolonged blocking of railroad crossings, sometimes for hours. This occurs most often at 147th Ave NW, but also at 45th St NW in Trenton, and occasionally on 1804 near the Savage rail terminal.

The Commission evaluates whether a site will produce acceptable minimal adverse effects on the environment and welfare of the citizens of the state. The Commission is requesting input from the Department of Transportation regarding plans or proposals to address the public concerns, preferably prior to commencement of construction, regarding traffic and safety at the specified site. If possible, please respond by July 20th, 2024.

Sincerely,



Randy Christmann
Chair
Public Service Commission

cc: Office of the Governor
North Dakota Department of Commerce