



PROTECT SOUTH DAKOTA'S
AG FUTURE

*If we lose the carbon pipeline, it's a **HUGE LOSS** for every South Dakotan.*

Global markets have been driving discussions and changes in incentives around low-carbon fuels and biofuels for years. The oil and gas industry's strategic pivot toward supporting carbon capture initiatives is a clear testament that these projects aren't going anywhere and that the energy of tomorrow will be derived from above ground sources rather than the traditional reserves below.

But absent any large scale viable alternatives, carbon capture **cannot** be achieved without carbon pipelines.

Over the past year, South Dakota's carbon pipeline projects have been met with opposition from a small minority of landowners, county commissioners and social media. This opposition has put these projects – and others – in jeopardy of shutting down or being relocated out of state.

Unfortunately, those opposing the pipelines are ignoring the fact that killing this project will cost our state billions of dollars in ag production, plant and pipeline construction, low carbon ethanol and sustainable aviation fuel production, along with thousands of jobs and the opportunity to position ourselves at the leading edge of biofuel and energy production. **Half of our state's corn crop, grown for ethanol production, will lose its markets for sale. This loss will devastate our ag economy, our rural communities and South Dakota's future economic development.**

That's why **Protect South Dakota's Ag Future** was formed. We are a solution-based organization, working to ensure that South Dakota pipelines are built the South Dakota way. We believe in fair compensation, strongly support value-added agriculture and future economic development. **We understand what's at stake if these CO2 pipeline projects are killed – game-changing opportunities our state will miss out on if we don't act with urgency.** We believe this is not a black-and-white issue, but one that demands education and compromise so that workable solutions can be developed. South Dakotans need to come together to construct a win-win pipeline scenario and avoid suffering an unthinkable economic loss.

Please know that Summit Carbon Solutions is not providing funding for this effort and has no representation in our coalition. Protect South Dakota's Ag Future is a producer-led coalition working to keep our state from killing the pipelines and making a terrible mistake. We believe low carbon ethanol and biofuels have been instrumental in creating opportunity for value-added ag in our state. Continued expansion of these markets, including sustainable aviation fuel (SAF), will be key drivers in our state's economy going forward. This growth cannot take place without the construction of CO2 pipelines.

Our Membership

BOARD OF DIRECTORS

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Terry Schultz
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Association

In addition to our board leadership, we are supported by a number of individuals and organizations who support our mission to find common ground and common sense solutions for South Dakota. The full listing is available at:

ProtectSDag.com/our-membership

THE SITUATION

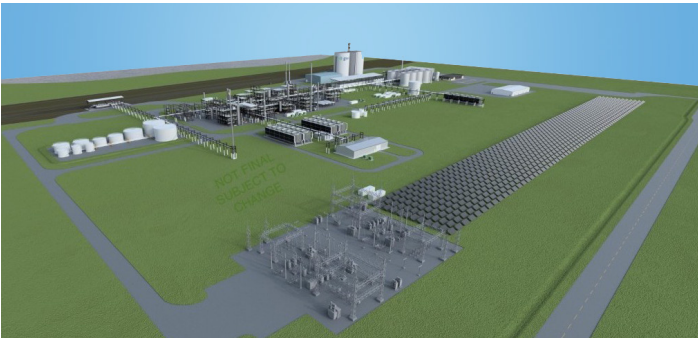
Agriculture is the backbone of our state's economy. South Dakota farmers produce nearly 800 million bushels of corn annually, contributing \$4.3 billion to our state's economy. Over 60% of the corn grown in our state is used in the production of ethanol.

A global movement towards reducing carbon emissions presents opportunities and challenges to our ethanol industry. Ethanol-based SAF is used by airlines in their effort to become more carbon neutral. With limited alternatives to power today's modern aircraft, SAF is expected to make up the majority of emissions reductions for the aviation industry. Gevo's Net-Zero 1 project being developed near Lake Preston, South Dakota is expected to be a major source for SAF upon completion.

At the same time, more markets are passing laws requiring low carbon scores for fuels purchased there. **Which means our state's ethanol producers will be put at a severe disadvantage when selling to the largest markets in the US without carbon capture.**

Absent any large-scale viable alternatives, this makes carbon sequestration projects – which remove carbon from the ethanol production process and use pipelines to move it out of state where it is stored deep underground – vital to the future of our ethanol industry. Carbon sequestration is also a key component of Gevo's planned \$1 billion investment in the Lake Preston plant.

Loss of the Gevo Net-Zero 1 SAF Plant



The Lake Preston plant is estimated to be the largest capital investment South Dakota has ever seen, creating new opportunities for South Dakotan workers and farmers. **Company officials have made it clear building the plant in South Dakota is dependent on the state having carbon capture in place.** Here's what the loss of the Gevo SAF Plant could cost South Dakota without the CO2 pipelines:

- *Estimated regional economic impact of over \$250 million annually and \$5B over the life of the project*
- *1,500 construction jobs over three years*
- *90 full-time jobs*
- *A \$150 million wind farm built by Gevo's partner zero6 (formerly Juhl Energy) that will add 200 construction jobs and 15 full-time positions*

Losses for Rural South Dakota

The ripple effect caused by losing the pipeline project would be felt throughout our state, especially in rural communities dependent on farming corn for ethanol production. Experts believe the value of carbon capture and sequestration in SAF production could equate to over \$2 per bushel; a portion of which will be paid to farmers through increased corn prices. **And without the pipeline projects, farmers will not only miss out on these premiums, but eventually be unable to sell corn to local ethanol plants** who won't be able to compete in markets requiring lower carbon scores. Inaction is not an option, as the demand for low carbon fuels will continue with or without us. This means:

- *Local ethanol plants will not expand and could close*
- *Corn prices will decrease*
- *No new construction jobs*
- *Sales tax will be stagnant or decrease*
- *Loss of billions in funding for schools and public works*
- *Consolidation of schools and municipal services*
- *Reduction of federal and industry dollars supporting precision ag – will only be investing where carbon scores are lowered and facilities exist*



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WHAT'S AT STAKE IF WE LOSE THE CARBON PIPELINE

If the CO2 pipeline project is shut down, South Dakota will miss out on the following:

- \$1.2 billion investment in South Dakota
- \$257 million in labor income in South Dakota
- \$99 million in state and local taxes during construction
- \$53 million in annual expenditures in South Dakota
- Loss of tax revenue to support local schools
- Loss of investment, labor and income to individual counties as follows:

County	Total Investment	Total Labor	Income/Annual Property Taxes
Beadle.....	\$95,018,800	\$20,077,181	\$1,031,814
Brown.....	\$77,592,859	\$16,395,133	\$845,031
Clark.....	\$41,338,366	\$8,734,670	\$444,036
Codington.....	\$56,762,588.....	\$11,993,761.....	\$624,976
Edmunds	\$77,075,492	\$16,285,815	\$842,542
Hamlin.....	\$24,761,814	\$5,232,095	\$265,979
Hand.....	\$58,972,451	\$12,460,698.....	\$633,452
Hyde.....	\$35,318,574.....	\$7,462,706	\$379,374
Kingsbury	\$55,173,332	\$11,657,956	\$592,644
Lake.....	\$91,865,480.....	\$19,410,894	\$1,000,399
Lincoln	\$43,589,985	\$9,210,430	\$468,221
McCook.....	\$4,181,483	\$883,535	\$44,915
McPherson.....	\$113,060,193.....	\$23,889,272.....	\$1,214,435
Miner	\$28,877,722	\$6,101,774	\$310,190
Minnehaha	\$57,076,517	\$12,060,093	\$613,087
Spink.....	\$165,901,398.....	\$35,054,456.....	\$1,793,629
Sully	\$66,499,742	\$14,051,191.....	\$727,910
Turner.....	\$70,286,515	\$14,851,325	\$772,102
TOTAL.....	\$1,163,353,311.....	\$245,812,985	\$12,604,736



THE TRUTH ABOUT CARBON PIPELINES

Carbon is Safe and Non-Explosive

There are 5300 miles of dedicated CO2 pipelines in the United States, all strictly regulated by the federal government. Some have operated for as long as 50 years. During that time, no one has ever died or been injured as a result of operating a CO2 pipeline. It's safer than natural gas and propane because it's not flammable.

South Dakota currently has 4700 miles of pipelines running throughout the state. **Studies show pipelines have clear environmental and public safety benefits over transporting by rail are 70 times safer than shipping liquids by truck.** Current SD law regulating pipelines has worked well for decades.

Charlie Kludt, President of the SD Firefighters Association put it bluntly:

"With CO2, compared to your natural gas and your other liquids, those are flammable, whereas carbon is not, it's going to dissipate. We use carbon dioxide in fire extinguishers and other extinguishing agents in facilities all across the country. And so, the concern of the explosion hazard, the fire hazard, that's not a concern compared to other pipelines."



Moving Forward

The pipeline companies have heard the concerns of the landowners and are doing all they can to better cooperate and address their concerns. They know that if you're going to do business in our state, you're going to have to do it our way and be a real partner with our state's landowners.

It's our hope that all involved parties will work together to find a solution that prevents our state from killing the carbon pipeline and all the opportunities it makes possible. **These projects are essential to the future of South Dakota and represent a clear choice for the people of our state** – either find a way for our state to finish the pipeline project and move into the future, or refuse to budge and cling to the past, ignoring a marketplace that is already changing and will leave us behind if we don't act with urgency. The choice is ours.



What You Can Do

Please contact your local representatives and tell them that the future of agriculture in our state depends on carbon capture, the pipeline and all the opportunities it makes possible. Let them know that you support the pipeline, but you want it built right – the South Dakota way. Make your voice heard – let's not reject this once-in-a-generation opportunity. South Dakota can't afford to kill the carbon pipeline. We need a win-win solution now.



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- **Ensuring responsible development with regulatory certainty**
- **Preparing South Dakota for the future of value-added agriculture**
- **Expanding markets for South Dakota ag products**
- **Securing a prosperous future for the next generation of rural South Dakota**

**Do you support the future of
value-added agriculture in South Dakota?
Join the coalition by visiting
ProtectSDag.com/join.**