

Exhibit H Landowner Comments

Docket Number: HLP-2021-0001

Exhibit H Number: H-CL-060, H-CL-093

Land Owner Name or Entity: Ray V. Bailey Trust

Name of Submitter: Dr. G. Bryan Bailey, Trustee, Ray V. Bailey Trust

Mailing Address: 1024 Hill Street

City: Milford State: Iowa Zip Code: 51351

Email Address: gbbaily@mchsi.com

1. Describe the current use of your property and any plans you may have for different use in the future.

Typical row crop farming, now and in the future.

2. Provide a general description of your property, indicating whether any of the following is on the property and if so where it is located:
 - a. **Buildings or other structures:** one metal machine shed located more than 1000 feet south of the proposed pipeline route.
 - b. **Drainage tile or other underground installations, such as water lines, natural gas line, telecommunications facilities, or electric lines:** multiple drainage tile lines in the area of the proposed pipeline route.
 - c. **Any above ground facilities:** None
 - d. **Any stream or body of water or other noteworthy terrain features:** Willow Creek, a perennial stream, is located on the west side of one of our two parcels, and it must be crossed by the proposed pipeline.
 - e. **Any timber or forest:** There are trees near the aforementioned machine shed, but none near the proposed pipeline path.
 - f. **Any easements held by a third party:** None
 - g. **Any other feature or condition that might not be readily apparent and that might affect, or be affected by, the proposed pipeline:** None

Exhibit H Number: H-CL-060, H-CL-093

3. Describe any specific concerns you may have and any recommendations you may have for Board action to address you concerns.

To be sure, the ethanol industry has played a very important role in boosting the economies of Iowa and other midwestern states, as well as enhancing the financial well-being of the farmers who grow the corn from which ethanol is produced. Our family clearly has benefited from ethanol production, and we have been longtime supporters of the ethanol industry. However, the benefits of ethanol, beyond the economic ones, are a bit more complicated. I think it is clear that ethanol has played a significant role in reducing our country's dependence on foreign oil, and that is an important benefit. Less clear, however, is its role in addressing perhaps the *greatest challenge of our time*, and that is our warming planet. To be sure, less CO₂ is released into the atmosphere from burning a gallon of E85 than a gallon of regular gasoline.....but only about 5%-10% less. And, when you consider the broader carbon footprint of ethanol, not including the CO₂ that directly results from ethanol production, it is not clear there is any reduction in the release of atmospheric CO₂ from using ethanol-blended fuels.

In spite of how hard it seems that it is for many people to accept, let alone embrace, global climate change and warming, resulting from human behavior, is **real**, and it very likely will have major negative impacts on our way and quality of life well into the future, if significant remedial actions are not undertaken in the next 10 years to dramatically slow our release of CO₂ and other greenhouse gases into the atmosphere. One of those actions almost certainly will be continued and enhanced efforts to reduce our reliance on hydrocarbons to fuel our transportation and produce our energy, regardless of whether those hydrocarbons come from fossil fuels or processed biomass. That is not good news for the ethanol industry, which most likely has already seen its best days. What is troubling to me is that the backers, at least most of them, of the various proposed CO₂ pipeline projects also should be fully aware of this trend and realize that ethanol production most likely will be declining in the foreseeable future, thus reducing, and perhaps eventually eliminating, the product they are spending billions of dollars to build and operate pipelines to transport. Thus, this, and other factors, make me suspicious of the real motivations behind the various proposed pipelines.

Exhibit H Number: H-CL-060, H-CL-093

For example, currently I believe that Summit Carbon Solutions (SCS) has signed up about 30 ethanol plants in the Midwest to supply the CO₂ that their pipeline will transport. I do not know the fee structure or amounts that these plants will pay SCS to take the CO₂ resulting from those plants production of ethanol, but it is hard to imagine that it could be anywhere near a level that would allow SCS to recoup its investment in a timeframe that makes any sense. Clearly, current tax credit policy is a financial boost to this project, but “betting the farm” on changeable government policy carries its own risks. Furthermore, the original premise or goal of building a multi-billion-dollar pipeline to facilitate the sequestration of ethanol-produced CO₂ as a means of positively impacting climate change, while noble, never really made sense to me, because the amount of CO₂ that would be sequestered is a literal drop in the bucket compared to the total CO₂ released annually from all sources. Additionally, the participation of Valero (in the former Navigator project) was an “eyebrow raiser” for me, since big petroleum companies rarely invest big bucks without strong expectations of a major return on that investment. It is a bit hard to see what that might be here. Last, but not least, I find it a bit strange that both the SCS and Navigator pipelines have (or had) destinations quite far removed from the sources of the product they are transporting when rock formations just as suitable, or nearly so, for sequestration exist much closer and within the state of Iowa. A prime difference is that the Iowa formations **do not contain oil and gas**. So, one is kind of left wondering if the real reason these pipelines are being built is to provide an ample supply of the new **preferred fluid for oil field fracking**. If that were the case, we (and I am pretty sure many other concerned landowners) absolutely would not participate voluntarily in such a venture, as oil field fracking is an environmental disaster on so many levels.

“The Summit Carbon Solutions project will not be used for enhanced oil recovery,” so states the SCS public website. Yet, **SCS refused to accept** my proposed addition to our easement agreement that would stipulate no CO₂ transported by a pipeline on land owned by the Ray V. Bailey Trust would be used in enhanced secondary petroleum recovery. Consequently, in spite of their claims to the contrary, I have concluded **that Summit Carbon Solutions very likely does intend to use, or allow to be used, CO₂ transported by them in secondary petroleum recovery.**

Exhibit H Number: H-CL-060, H-CL-093

Recommendation: The Iowa Utilities Board should independently determine whether or not enhanced secondary petroleum recovery is a fundamental goal of the Summit Carbon Solutions pipeline project. If it is, the Board should weigh that fact heavily, **as a negative factor**, in its consideration of granting SCS rights of eminent domain, especially given SCS efforts to conceal that fact.

- 4. If you recommend an alternative route for the proposed pipeline, describe that route and its advantages and disadvantages.** N/A

- 5. Please elaborate on any concerns regarding the project you have that you believe the Petitioners failed to address.**

I am very concerned that the Petitioners, Summit Carbon Solutions, failed to negotiate with us in good faith. Furthermore, I believe incompetence and inconsistencies on their part, throughout the process, significantly undermined prospects of us reaching a voluntary easement agreement with them.

When the Ray V. Bailey Trust first was contacted by SCS in late 2021 seeking our voluntary participation in an easement agreement, my brother (and co-trustee) who still was living at the time, and I concluded, for various reasons, that we were not interested in the “early participation” agreement that SCS offered, and we so notified them of that fact in January of 2022. In June of 2022, we received an initial updated offer from SCS, which when the “smoke finally cleared” (after additional updated offer(s)) basically doubled the compensation they were offering for us to sign an easement agreement. My brother had passed away between the time of the initial and subsequent proposals from SCS, and I felt an obligation to consult our two sons, who ultimately will own the land in question, about their ideas about considering the updated offer from SCS. They both were of the opinion that we should consider the new offer, and I notified SCS of that fact. What followed, however, was a long, tedious, and frustrating negotiation process between numerous SCS representatives and me that failed to reach agreement for a voluntary easement across our two parcels of land. I largely fault Summit Carbon Solutions for this failure.

Exhibit H Number: H-CL-060, H-CL-093

Early on, I made it clear to SCS that total compensation was not as big a factor to me, in reaching agreement, as were factual accuracy and philosophical considerations. Case in point, the first set of parcel maps and corresponding calculation sheets that we received from SCS clearly had confused which of our two parcels contained a greater percent of non-tillable ground, and I mentioned that fact to them. Later, when SCS made their updated offer(s), I noticed the same discrepancy still existed. I notified them of the still-present error, but they rejected my observation on multiple occasions, and told me their people had it right. Not accustomed to having my intelligence insulted (repeatedly), I finally notified SCS that we had nothing further to discuss unless and until they could get their collective acts together. Eventually, and without apology, they acknowledged that I was correct (all along), and negotiations restarted.

Next, I turned my attention to a comprehensive review of the proposed easement agreement itself. Admittedly, I am a stickler for details, and I did find numerous things in the proposed agreement that concerned me. As a result, I returned the draft proposal with numerous revisions (both additions and deletions) proposed by me, along with embedded explanations of my concerns and rationale related to most of the revisions I proposed. Follow-up discussions with SCS representative, Kati Chapman, eased some, but not all, of my concerns, and my revised version of the proposed easement agreement was forwarded by SCS to their attorneys for review and reply. Well, what came back to me was a document wherein virtually all of my proposed additions had been deleted and my proposed deletions had been re-inserted, all without any explanation whatsoever. That cold reply left me feeling bullied, and I notified SCS that such a reply was not acceptable and if our negotiations were to continue, I was at least going to have to know why all my revisions were rejected out-of-hand. Eventually, I did receive a different, and much more satisfactory, response to my proposed revisions, which actually accepted one or two of them, and which also provided explanations for why most of the others were not acceptable to SCS. While lamenting that the new response from the SCS attorney wasn't received initially and recognizing it still didn't address my fundamental concern about CO₂ use in secondary petroleum recovery, I concluded that it definitely could form the overriding basis for a voluntary easement agreement between SCS and the Ray V. Bailey Trust, and I notified SCS of that conclusion.

2Exhibit H Number: H-CL-060, H-CL-093

At roughly the same time (August, 2023) that I reached my conclusion that the most recent version of the easement agreement provided by the SCS attorney could form the basis of a final voluntary agreement, I received from another SCS representative (Mr. Pieroni) an updated Buyer's Kit, which presumably constituted the current "complete proposal package" from SCS. However, much to my chagrin, that Buyer's Kit was deeply flawed, most notable because it contained the original agreement text, rather than the text most recently prepared by the SCS attorney, and it contained the original easement calculation sheets with all the erroneous and mismatched parcel information. In other words, it was like whoever was sending us this Buyer's Kit had no clue about all the progress that had been made and changes that had been agreed to over the preceding many months. Really disheartening!

Due largely to the severe constraints on my time because of my role as my wife's fulltime and sole caretaker, I had not yet been able to complete a thorough review of the process SCS used to calculate the compensation they were offering us in exchange for the voluntary easements. Having just notified Mr. Pieroni of the flaws in the Buyer's Kit he sent, I wanted to provide him compensation numbers based on my own calculations, so that he could consider them for inclusion in the corrected Buyer's Kit, which I hoped he would send me. I performed those calculations using the most current SCS measurements of proposed easement areas and correct (per the USDA online tool) Crop Suitability Ratings (CRS2), as well as the most recent County Price per CRS2 Point data that I could find. As it turns out, my calculations resulted in compensation numbers that were only marginally (about 15%) higher than the current SCS proposed compensation. I sent Mr. Pieroni copies of all my calculations, along with a reiteration of my hope that SCS would send the Ray V, Bailey Trust a current, correct Buyer's Package to consider, that is, one that reflected all the work that we had accomplished over the prior many months. I never heard back from Mr. Pieroni, nor from any other SCS representative.

I cannot say for sure that the Ray V. Bailey Trust and SCS would have reached agreement on a voluntary easement agreement had SCS not abruptly, and without explanation, terminated negotiations with us, as we had not yet resolved the use of transported CO₂ in secondary petroleum recovery issue. However, SCS never made any attempt, whatsoever, to explore with us possible common ground

Exhibit H Number: H-CL-060, H-CL-093

upon which a mutually acceptable resolution to that issue might have been found. It was with the hope of finding such a resolution, as well as finalizing mutually acceptable compensation figures, that I “signed up” for the mediation option offered by the IUB as part of these proceedings. However, that turned out to be a totally disappointing experience, and for me, it was a complete and utter waste of a lot of valuable time.

Conclusion and Recommendations. Insite of a generally very open mind in the beginning, my extensive interaction with Summit Carbon Solutions over the past two years has been fraught with frustration and anxiety, and it has left me with little or no confidence that SCS is an organization that actually can construct and safely operate an enormously complex CO₂ pipeline like the one they propose to build. Even if the proposed pipeline is completed successfully, there exists reasonable doubt that the energy economy of the future will support a life-of-operation that justifies the turmoil its construction will produce. The anger, frustration, and anxiety, which this project already has caused among a great many landowners along the proposed pipeline route, is nothing compared to the issues and backlash that will arise when SCS starts ripping up land and disrupting services across nearly a third of the counties in Iowa. Furthermore, if CO₂ transported to North Dakota by Summit Carbon Solutions does end up being used in enhanced secondary petroleum recovery, their entitlement to eminent domain status based on claims of “public use,” which seem to me already to be rather tenuous, clearly would be further undermined. So please, as you make your final deliberations on the Petitioner’s application for rights of eminent domain, do strongly consider the input I have provided here, as well as the input you have received from many other concerned landowners, and try sincerely to ignore the political and other pressures that almost certainly weigh heavily on your shoulders. In parting, let me share you with a bit of wisdom, perhaps worthy of thought in your final deliberations, that was shared with me many decades ago by my dissertation advisor at Stanford. He said to me, “if in doubt, leave it out.”