March 11, 2024

HLP-2021-0001 (Summit Carbon Solutions, LLC; Petition for Hazardous Liquid Pipeline Permit)

HLP-2023-0004 (Summit Carbon Solutions, LLC; Hazardous Liquid Pipeline)

HLP-2024-0001 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Fairbank and Shell Rock, IAL-501, IAT-401)

HLP-2024-0002 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Iowa Falls and Jewell, IAL-502, IAL-503)

HLP-2024-0003 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, Valero - Fort Dodge and POET - Gowrie, IAL-504, 505)

HLP-2024-0004 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Coon Rapids and Menlo, IAL-506, 507)

HLP-2024-0005 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Arthur, IAL-508)

HLP-2024-0006 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Corning, IAL-509)

HLP-2024-0007 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Hudson, IAL-510)

HLP-2024-0008 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, Valero - Charles City, IAT-402)

HLP-2024-0009 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline, Permit POET - Hanlontown, IAL-516)

HLP-2024-0010 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, Valero - Lakota, IAT-404)

HLP-2024-0011 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, POET - Emmetsburg, IAT-405)

HLP-2024-0012 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit Valero - Albert City, IAT-406)

HLP-2024-0013 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline Permit, Valero - Hartley, IAT-407)

HLP-2024-0014 (SCS Carbon Transport LLC; Petition for Hazardous Liquid Pipeline, Permit, POET - Ashton, IAT-408)

To Whom It May Concern:

I am writing in opposition to Summit Carbon Solutions LLC's Petition for a Hazardous Liquid Pipeline Permit.

This objection is a revised and expanded version of the objection filed into docket HLP-2021-0001 on March 5, 2024.

SCS Carbon Transport, LLC

The Iowa Utilities Board (IUB) recently posted information explaining the status of the Summit Carbon project and the 14 new dockets established on March 4 under a subsidiary the board identified as SCS Carbon Transport, LLC.

March 4, 2024

Summit Carbon Solutions, LLC (Summit Carbon), and its subsidiary, SCS Carbon Transport, LLC (SCS), are seeking permits from the IUB to construct, operate, and maintain hazardous liquid pipelines (HLPs) for the transportation of liquefied carbon dioxide throughout Iowa. The companies filed separate requests on three dates, identified by IUB docket numbers, to inform potentially affected landowners of their proposed projects:

- HLP-2021-0001 Summit Carbon filed a petition (application) in January 2022 to construct, maintain, and operate 687 miles of of 6- to 24-inch diameter pipeline. The project, known as the Midwest Carbon Express, is the main pipeline proposed by Summit Carbon.
- HLP-2023-0004 Summit Carbon filed on June 19, 2023, a request for informational meetings in Floyd and Mitchell counties regarding an additional 31-mile, 6-inch diameter pipeline that would connect to the Midwest Carbon Express.
- HLP-2024-0001 through HLP-2024-0014 SCS Carbon Transport filed a request on March 4, 2024, to hold public informational meetings in 22 counties regarding a proposal to construct 340 miles of 6- and 8-inch diameter pipelines. The company proposes to build 18 trunk and lateral pipelines that would connect POET Bioprocessing (POET) and Valero Renewables (Valero) facilities to the proposed Midwest Carbon Express.

In his <u>September 6, 2023, testimony</u>, former Summit Carbon Chief Commercial Officer James Pirolli testified that the only Summit Carbon-affiliated LLC with any employees was Summit Carbon Solutions (p. 1886, line 4, to p. 1887, line 13):

Q. And then Summit Carbon Solutions, LLC, that owns a company called Summit Carbon Project Holdco, LLC; is that right?

A. I believe so, yes.

Q. And then that company has three LLCs. One is SCS Carbon Removal, LLC, one is SCS Carbon Transport, LLC, and then one is SCS Permanent Carbon Storage, LLC; is that correct?

A. That's correct.

Q. And the way this works is that SCS Carbon Removal, LLC, would own the capture equipment that's connected to the ethanol plant that processes the CO2 and connects up to then the proposed transportation pipeline; correct?

A. Yeah, I think that's a fair description.

Q. And then SCS Carbon Transport, LLC, actually owns the pipe through which you propose to transport the CO2 molecules.

A. Correct. Transport is the pipeline transportation company.

Q. And does that company have any employees?

A. I don't believe so.

Q. And the only company – well, let me finish this out. And then third, at the level below, Summit Carbon Project Holdco, LLC, which is a level below applicant, the third one is SCS Permanent Carbon Storage, LLC. And that's the entity that manages and operates and owns the permanent storage which you're proposing for North Dakota; correct?

A. Yes.

Q. And the only entity with employees, of all of the ones we've mentioned, is Summit Carbon Solutions, LLC?

A. I believe that's correct.

Whether SCS Carbon Transport, LLC is a subsidiary of Summit Carbon Solutions in view of the fact that it does not appear to have any employees is a legal question I am not qualified to answer.

In my view, the separation of these 14 dockets will pose grave hardships for affected landowners and will dilute their ability to protect their basic rights. This approach may also expose the residents of affected states to potentially unending expansions to the pipeline if permits, including eminent domain, are granted. The route may never be "set."

Two additional announced partnerships, one in South Dakota and one in North Dakota, also have not yet been added to the route: the proposed Gevo facility in South Dakota, and the proposed Northern Plains Nitrogen (NPN) facility in North Dakota. In the case of the latter, this addition will require a considerable northward expansion of the North Dakota route into Grand Forks county and potentially beyond. It appears that these projects will also prompt new rounds of docket filings and associated problems in the affected states. If permits, including eminent domain, have already been granted, then the rights of affected landowners will likely be compromised.

In my view, for this reason alone, the permit should be rejected and the project halted.

Water Use

Additionally, in my opinion, this entire proceeding should be immediately halted because of the IUB's failure, pursuant to its <u>October 6, 2022, order</u>, to conduct an environmental impact study.

In this order, the IUB stated in part: "As found by the Board in the Dakota Access docket, the Board does not consider a separate EIS beyond the statutory requirements in Iowa Code chapter 479B to be necessary."

It appears that at the time the October 6, 2022, order was issued, both the IUB and the Office of Consumer Advocate had no knowledge of the amount of water that would be required at these facilities – not merely for construction, but on an annual basis. Scott Bents, a utility regulator with the Office of Consumer Advocate, <u>testified as follows on September 13, 2023</u> (p. 3325, line 24, to p. 3326, line 4):

The water usage issue is one that I believe we just learned about last week at the hearing. We had not found out about that in any of the filings. And so we are, we're still considering that issue. But I think it can be relevant to the board's consideration of public convenience and necessity.

We are in a protracted drought. The IUB's failure to conduct an environmental impact study years ago appears to have been negligent and could imperil the basic rights of citizens in Iowa. In light of the March 4 filings, it appears that Summit's annual water use in Iowa will more than double, and to the best of my knowledge, we still have no scientific evidence from the company explaining its water use. Based upon the <u>September 5, 2023, testimony of Summit COO James</u> <u>Powell</u> that water use at each facility will "range from 20 gallons a minute to 120 gallons a minute," it appears that the amount of water needed each year will be significant.

Conflicting Statements by North Dakota Officials

On January 28, 2022, Summit Carbon filed <u>Exhibit C</u>, which states the following: "The Summit Carbon Solutions Pipeline System ('Pipeline') will transport carbon dioxide ('CO2') from participating ethanol plants in Iowa and other midwestern states to North Dakota for permanent sequestration."

According to a <u>December 15, 2023, press release</u> issued by the North Dakota Industrial Commission, "During the 2023 legislative session, \$300,000 was appropriated to the Industrial Commission to contract for carbon capture and **utilization** education and marketing. The Industrial Commission is soliciting applications for grant funding to aid in the development of a Carbon Capture and **Utilization** Education and Marketing Strategic Plan." (emphases added) The actions of the North Dakota Legislature appear to contradict Exhibit C and other documents filed into this docket by Summit Carbon Solutions, which indicate that all carbon dioxide that is captured will be permanently sequestered.

During a December 20 BEK TV presentation, moderator Scott Hennen stated the following:

I want to just reiterate that I've heard from Summit officials directly that enhanced oil recovery, when the, you know, technology is ready is part of the business model, right? I mean, you've got a commodity here, and obviously, you're going to – at this point,

because the federal government is saying go sequestration, you're going to start there, but enhanced oil recovery will ultimately be available from this, and Summit's part of that, right?

This, too, appears to conflict with Exhibit C and other documents filed into this docket by Summit Carbon Solutions.

It also appears to be at odds with previous statements by Summit Carbon COO Powell in <u>rebuttal</u> <u>testimony</u> submitted to the Iowa Utilities Board on August 21, 2023 (p. 6):

Q. Certain Intervenors have mentioned the use of CO2 for enhanced oil recovery ("EOR"). Does Summit intend to ship CO2 for use in EOR?

A. No. Summit does not intend to ship CO2 for use in EOR. At present, all parties intending to ship on Summit's pipeline system intend to permanently sequester the CO2 being shipped.

On March 6, 2024, <u>Summit Carbon Solutions issued a press release</u> addressing recent comments made by North Dakota Governor Doug Burgum (this information was attributed to WDAY Radio Now in the press release):

North Dakota Governor Doug Burgum continues to tout what he calls the benefits of carbon sequestration.

"I was up at the University of North Dakota at the Environmental Energy Research Center. I think the graph they had up there said that carbon sequestration and enhanced oil recovery would add 70 billion dollars of tax revenue to North Dakota over the coming decades, tax revenue. Think of the legacy fund we could build with that," said Burgum.

Burgum is a vocal backer of the plan by Summit Carbon Solutions to build an underground pipeline spanning five Midwestern states.

The pipeline would be used to transfer liquid carbon waste to an underground storage site near Bismarck.

Burgum's statements appear to directly contradict the testimony of Powell.

Summit Carbon Solutions announced in a <u>January 10, 2022, press release</u> that it was partnering with Northern Plains Nitrogen (NPN), a proposed blue ammonia plant that will be located in Grand Forks County, "to capture, transport and permanently store carbon dioxide."

A <u>December 2023 City of Grand Forks Staff Report</u> stated the following: "The NPN products will be considered 'Blue' or using the latest proven and efficient technology to include carbon capture and **utilization**." (emphasis added) Emails to Summit Carbon and the City of Grand

Forks requesting clarification about whether carbon captured at the proposed NPN site would be utilized rather than sequestered went unanswered.

Again, the City of Grand Forks staff report appears to conflict with Exhibit C and other documents filed into this docket by Summit Carbon Solutions, as well as Summit Carbon Solutions' January 10, 2022, press release.

Lack of Knowledge about Potential National Security Threats

On November 20, 2013, <u>AgNews reported</u> that Northern Plains Nitrogen and "a Chinese engineering firm sat down at the state Capitol on Monday to sign a memorandum of understanding that could lead to a large fertilizer plant in the state."

Signing the document were Darin Anderson, chairman of Northern Plains Nitrogen LLP of Grand Forks, and Wang Lvbei, vice president of China Chengda Engineering Co., Ltd.

The status of this contract is unknown.

Additionally, <u>according to NPN's website</u>, one board member, CEO Clark Bailey, is linked to Eurochem, which <u>has ties to Russia</u>, and another board member, Retired Admiral Bill Owens, is linked to Prometheus, which is based in Beijing.

It is not known if NPN is funded in part by foreign entities. However, a statement attributed to Grand Forks city administrator Todd Feland on <u>February 15, 2023</u>, indicates this may be the case: "Generally the countries that move forward with fertilizer plants are centered in the Middle East...Russia...and China. It may have an impact on the NPN project."

The proposed NPN plant will be located in close proximity to the Grand Forks Air Force Base. What efforts have been made to ensure that the pipeline will not pose a risk to this facility? Will such an assessment be compromised if permits have already been approved? The IUB is responsible for determining the answers to these questions.

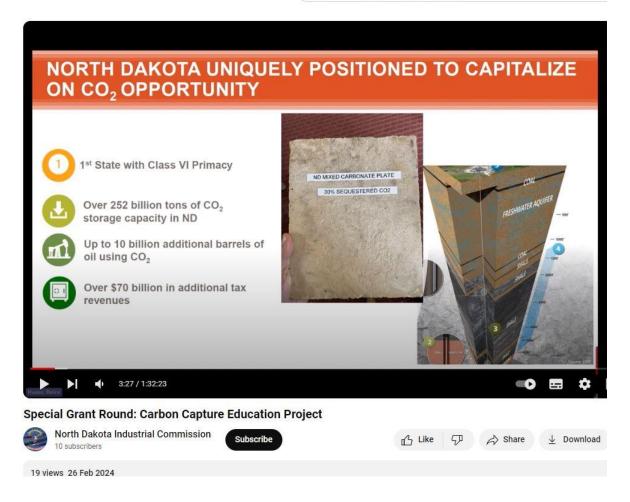
Plans for CO2 Utilization

One slide presented during a <u>February 26 North Dakota Industrial Commission presentation</u> featured a product made with 30 percent CO2:



north dakota industrial commission

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There are many, many uses for CO2. For instance, <u>Twelve</u> makes sustainable aviation fuel using CO2, as does <u>Dimensional Energy</u>, the latter of which characterizes CO2 on its website as "the most ubiquitous feedstock in the world." The <u>Microsoft Climate Innovation Fund</u> has invested in both of these companies. It is not known if either plans to open facilities on or near the Summit Carbon pipeline route, but according to a post on the <u>Carbon Credits website</u>, "The biggest challenge the company [Twelve] has in ramping up its SAF plants is the availability of power. They're aiming to build their next facility in the American Corn Belt where ethanol facilities and wind farms abound."

An organization founded by Bill Gates, <u>Breakthrough Energy</u>, which has both a <u>catalyst</u> and a <u>venture capital</u> arm, received a <u>\$100 million grant from Microsoft</u> in 2021. Microsoft is also listed as a <u>Breakthrough Catalyst direct capital partner</u> on the organization's website.

The Microsoft Climate Innovation Fund and Breakthrough Energy have invested in several of the same companies, including <u>Boston Metal</u>, a Massachusetts Institute of Technology spinout

that has "developed a new way of making clean steel" according to a <u>January 27, 2023, CNBC</u> <u>article</u>.

I asked Microsoft if either the Microsoft Climate Innovation Fund or Breakthrough has invested in a recently announced pig iron plant in North Dakota through an entity named Scranton Holding Co./North American Iron, Inc., which has received a total of \$10 million in state funding according to a <u>February 8, 2024</u>, <u>North Dakota Monitor</u> article. The article identified pig iron as a "precursor to steel" and quoted Burgum as follows: "We could end up with a steel plant in North Dakota if we get this pig iron thing going." Microsoft did not respond to this question and referred questions regarding Breakthrough to that company.

In late 2021, an entity called the Red River Trust with ties to Bill Gates purchased some 2,100 acres of farmland in Walsh and Pembina counties in North Dakota. <u>Attorney and former North</u> <u>Dakota Agriculture Commissioner Sarah Vogel</u> has written about this issue at length. She called for the following: "Attorney General Wrigley can and should appoint a special assistant attorney general who will work independently of both Wrigley and Governor Burgum on behalf of the citizens of North Dakota (see NDCC Section 54-12-08)." <u>In this post</u>, Vogel documents the receipt of a one-page declaration identifying William H. Gates, III as the sole beneficiary of this Trust.

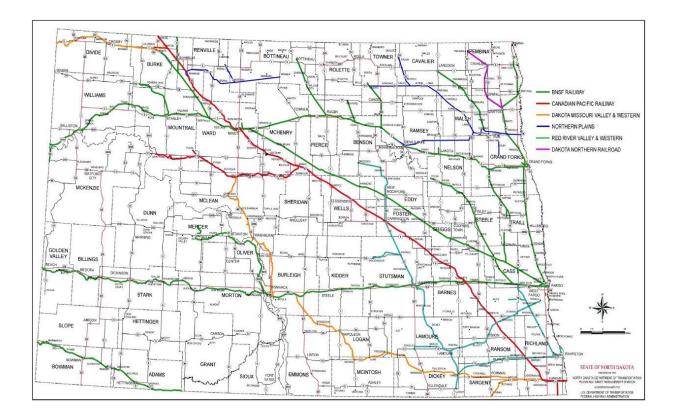
Unanswered Questions

During the January 23 Clean Sustainable Energy Authority (CSEA) meeting, Scranton Holding/North American Iron's CEO Jim Bougalis presented the proposed route for its pig iron plant, from its mining site in Minnesota to a tentative central North Dakota location:



This is admittedly speculative in nature, but in reviewing rail maps for Minnesota and North Dakota, it appears that a northern route into Grand Forks and northward into Walsh and Pembina counties would be significantly closer to Scranton's mining location near Hibbing, Minnesota.





During the January 23 CSEA meeting, Bougalis stated that carbon emitted at the proposed Scranton/North American iron facility would be sequestered (see 2:10:33 minute mark). But application materials provided by Scranton indicate that at least some of the CO2 captured at the plant is intended for commercial use:

New Production Strategies for Near Zero Emissions: Beyond the large number of emissions, this process causes current pig iron merchants to also face challenges and limitations, such as 1) logistics – multiple transloading, intermodal storage, trans-oceanic shipping, and a vulnerable supply chain; 2) high carbon emissions – coke/coal process with toxic byproducts; shipping related emissions, and product cooling,



handling, and reheating; and 3) domestic barriers -such as political challenges.

Given the noted challenges with current iron making processes, NAI is proposing to use the Tenova hydrogen-based HYL iron making process (pictured to the left), which includes a complete amine carbon capture system. This system takes carbon emissions and converts them to CO2. The CO2 conversion results in a food grade CO2, available to provide to the domestic CO2

industry with any surplus CO2 being sequestered. Tenova's Open Slag Bath Furnace ("OSBF") produces a low Sulfur and Phosphorus pig iron product, which may be used by U.S. steel mills and foundries. Figure 1 shows the differences in the current and green steel making processes. NAI's ultimate goal is to develop a large-scale plant to process pig iron (2 MTPY by 2029) that is low cost, has near net zero emissions, and greatly reduces the U.S.' dependency on foreign iron.

The screenshot above references a "hydrogen-based HYL iron making process." A screenshot from the <u>NPN website</u> below identifies plans for a "modular green hydrogen component." Theoretically, if I am following along, the NPN plant could potentially provide the green hydrogen required by the proposed Scranton/North American Iron pig iron plant. Again, theoretically, the hydrogen could also be combined with CO2 to produce <u>methanol for use in</u> <u>sustainable aviation fuel</u>.

Innovative and Environmentally Conscious Production

NPN will use state-of-the-art technology to produce nitrogen fertilizers, not only ensuring high production efficiency, but also aligns with increasing demand for sustainable and environmentallyfriendly practices in the industry.

Includes plans to develop modular green hydrogen component as technology and cost improve in line with market and demand.

As part of Scranton's application materials to the CSEA, contact information was provided. Notably, Bougalis provided a gmail address rather than a business email address. This is in response to a proposed \$2 billion project.

Applicant: Scranton Holding Company/North American Iron, Inc.

Date of Application:

October 30, 2023

Amount of Request Grant: \$12,000,000 Loan: -0-

Total Amount of Proposed Project:

Feasibility/permitting phases - \$27 million

Construction/operation - >\$2 billion

Duration of Project:

First production of pig iron - 2029

Point of Contact (POC):

James Bougalis

POC Telephone:

218-969-6551

POC Email:

jimbougalis@gmail.com

POC Address:

3404 15th Ave. East Unit #1

Hibbing Minnesota 55746

The project received a "Questionable" rating of 188 from independent technical reviewers:

TECHNICAL REVIEWERS' RATING SUMMARY C-05-C

"Green" Pig Iron Production Facility Submitted By: Scranton Holding Company/ North American Iron, Inc. Date of Application: October 2023 Request for \$12,000,000 Grant Total Project Costs \$2,000,000,000

Taskalast Davisor

	Technical Reviewer				
		C1	C2	C3	
Rating Category	Weighting Factor	Rating	Rating	Rating	Average Weighted Score
1. Objectives	3	3	3	4	10
2. Impact	9	3	4	4	33
3. Methodology	9	3	3	4	30
4. Facilities	3	2	2	4	8
5. Budget	9	2	2	3	21
6. Partnerships	9	1	2	4	21
7. Awareness	3	3	2	4	9
8. Contribution	6	3	4	4	22
9. Project Management	6	2	2	3	14
10. Background	6	3	3	4	20
	315	153	176	237	188
OVERALL TECHNIC	ALLY SOUND				
GOOD (IF > 214)				\boxtimes	
FAIR (200-213)					
QUESTIONABLE (IF<	\boxtimes	\boxtimes			

Despite this, the project was recommended for approved by the CSEA, and on January 24, 2023, the very next day, the North Dakota Industrial Commission approved a \$7 million grant to Scranton/North American. This is in addition to a \$3 million grant awarded Scranton by the North Dakota Development Fund. During the January 24 meeting, Burgum stated the following (beginning at the 2:05:46 minute mark): "There's so many wins stacked up on this one. This is like beyond win win win win. It's like I just, you keep on winning on this one."

North American Iron, Inc. was formed in North Dakota on July 31, 2023, only a few months before the company submitted its grant application materials to the state. I find no online presence for this firm other than its filing with the Secretary of State and recent articles related to the proposed pig iron facility.

The reason for the Red River Trust's purchase of land in Walsh and Pembina counties is not known. But if the land was initially purchased for eventual development related to the Summit Carbon pipeline, whether directly or indirectly, then in my view, this should be a matter of public record. I believe the purchase of this land warrants further investigation.

Failure to Safeguard Citizens' Basic Rights

In January, <u>FBI Director Christopher Wray appeared before Congress</u> to warn that China is targeting critical infrastructure in the U.S., "while also engaging in corporate deception, hiding Beijing's hand in transactions, joint ventures, and investments to do the same. And they don't just hit our security and economy. They target our freedoms, reaching inside our borders across America to silence, coerce, and threaten some of our citizens and residents." His testimony before a sleeping Congress was preceded by the appearance of the "Five Eyes" during an <u>October 2023 60 Minutes broadcast</u>, who warned of the global dangers of China's espionage campaign.

I believe that one of the most significant indications of compromise is when politicians act against the basic rights of citizens. And that is occurring in Iowa. In the city of Osceola, residents are drinking bottled water because of a protracted water crisis. At the same time, the Southern Iowa Rural Water Association (SIRWA) has opened a new water treatment plant some 30 miles west of Osceola. The facility is permitted by the Iowa DNR's WACOP permitting system to withdraw 7,921 acre-feet per year at a rate of 7,800 gallons per minute from Three Mile Lake in Union County.

- 7,921 acre-feet per year = 2,581,069,165.7 gallons of water per year (two billion five hundred eighty-one million sixty-nine thousand one hundred sixty-five and seven tenths)
- 7,800 gallons per minute x 1,440 (minutes in a day) = 11,232,000 gallons per day
- 11,232,000 gallons x 365 (days in a year) = 4,099,680,000 gallons of water per year (four billion ninety-nine million six hundred eighty thousand)

According to Brenda Standley, general manager/Administration for SIRWA, "Roughly 75% of the water we sell is used for livestock consumption or ag-related activities."

I understand this problem has a complicated history, but it doesn't really matter. The failure of Iowa politicians – from the governor on down – to take action to preserve residents' basic rights over those of corporate hog producers, many of which are to some extent controlled by foreign-owned meat-packing plants, is a travesty. I believe it violates the spirit of Iowa Code section 455B.266, and I am concerned that the governor will soon move to tear this statute apart. Additionally, many corporate hog producers in Iowa are allowed to disguise themselves as family farm limited liability companies with the Secretary of State's blessing. Iowa Code chapters 9H and 9I have been largely ignored for decades.

With regard to the Summit Carbon project, we have little information about the controlling ownership interests in this pipeline. And this, too, is a travesty. The IUB has long averted its gaze from its responsibility to secure the basic rights of Iowa citizens in favor of corporate agreements shrouded in secrecy. I am concerned that the governor's recent actions in amending Iowa Code chapter 9I will codify the common practice among businesses of hiding their true ownership structure behind thinly disguised shell LLCs, directly contravening Wray's dire warning.

Many oil companies are invested in the ethanol and SAF markets, including Marathon, Valero, ExxonMobil, and Chevron Renewable Energy Group. A <u>PBS Frontline</u> series documents ExxonMobil's peer-reviewed research dating back to the 1980s, which validated the disastrous climate effects of CO2 emissions. The fossil fuel industry's response? Deny climate change.

There is a problem with all of the technological advances that now propel politicians like North Dakota's Governor Burgum to ram the Summit Carbon project through so that CO2 can be used for enhanced oil recovery and myriad other commercial applications. Once these businesses are established, it will lead to the production of more and more CO2. I believe this is why there is an attempt to hide many of these projects until permits are secured. Under the guise of reducing CO2 emissions, we are instead poised to repeat history by increasing CO2 production.

In my opinion, the information presented above raises significant questions surrounding the completeness and the accuracy of Summit Carbon's permit application. The IUB cannot assess this project without complete information regarding the entire route and all planned uses, including potential planned uses, for CO2. No environmental impact study has been undertaken, and I believe this will prove exceedingly unwise as the route continues to expand on a piecemeal basis. To the best of my knowledge, the IUB has made no effort to determine the ownership structure of key firms involved in this project, including Summit Carbon Solutions. As a direct result of its own decisions, the IUB remains in the dark about key aspects of this project, along with the rest of the affected public. The permit must be rejected.

Thank you.

Nancy Dugan