

Testimony of Samantha Vangsness
Executive Director
North Dakota Ethanol Producers Association

In Support of SB 2006
March 15, 2023

Chairman Monson and members of the House Appropriations Committee- Government Operations Division:

Thank you for the opportunity to testify before you today, I am Samantha Vangsness. I am executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today on behalf of NDEPA to voice support for SB 2006, which adds a sale and use tax exemption for materials used to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel (SAF).

North Dakota's ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs. It converts 40-60% of the state's corn crop into 550 million gallons of high-performance, cost-effective fuel (ethanol); 1.5 million tons of high-quality livestock feed (distillers grains); and 20 million gallons of corn oil which is a low carbon feedstock for renewable diesel production. Thanks to North Dakota's innovative private sector and supportive state government, the state's ethanol production capacity of 550 million gallons per year is more than five times the production a decade ago.

North Dakota's ethanol plants are continually improving in efficiency and diversification to ensure sustainability and respond to the needs of our customers. Most recently, several plants have worked to lower the carbon intensity of our fuel by implementing carbon capture and

storage projects. SAF is a promising opportunity that would open a new market for low carbon North Dakota ethanol. Demand for SAF will only grow over time as the aviation industry works to decrease its carbon footprint. North Dakota is in a great position to capitalize on this growing market. In fact, Midwest AgEnergy, which operates two plants in North Dakota, is currently engaged in evaluating the potential to produce SAF from low carbon ethanol. Other plants have also expressed interest. The sales and use tax exemption outlined in this bill would assist in this effort.

NDEPA greatly appreciates the work done by the Senate to add the sales and use tax exemption as these types of state incentives are important to making our state an attractive location for a SAF project.

Thank you for your continued support of the state's ethanol industry and we urge your support of SB 2006. Thank you for your time, and I stand for any questions you may have.