



Testimony of Gerald Bachmeier
CEO, Red Trail Energy
President, North Dakota Ethanol Producers Association

In Support of HB 1014
March 10, 2023

Chairman Sorvaag and members of the committee:

My name is Gerald Bachmeier, and I am the president of the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants and industry stakeholders. I am here today to voice support for HB 1014, specifically the Renewable Energy Program.

North Dakota's ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs. Thanks to North Dakota's innovative private sector and supportive state government, the state's ethanol production capacity is 550 million gallons per year, which is more than five times the production a decade ago.

The North Dakota ethanol industry greatly appreciates your support of the North Dakota Renewable Energy Council, whose mission is to promote the growth of North Dakota's renewable energy industries through research, development, marketing, and education, similar to the research councils of other energy-related industries. The projects funded through the Council have enabled commercial application of new or emerging technologies that are bringing revenue to the state and value-added markets to the agriculture industry.

Currently, the North Dakota ethanol industry produces 18 pounds of CO₂ for every bushel of corn processed. The ethanol industry recognizes an opportunity to find ways to capture that CO₂ and use it to generate additional revenue. The Renewable Energy Council, along with private industry dollars, is essential in helping our industry to commercialize CO₂ capture technologies. These projects help generate additional revenue and additional tax dollars for the state of North Dakota. The 50 percent

private industry match requirement ensures only relevant projects driven by the private sector are funded.

The Renewable Energy Program has played an important role in advancing numerous technologies that provide additional market opportunities and ensure sustainability for North Dakota's ethanol industry.

Examples include:

- Red Trail Energy working in coordination with the University of North Dakota's Energy and Environmental Research Center (UND EERC) on its carbon capture and storage project, which is the first carbon capture and storage project allowed under state primacy in the nation.
- Midwest Ag Energy conducting a seismic survey to advance carbon capture at its location in Underwood.
- Tharaldson Ethanol advancing a high-protein project which will open up new markets in pet food and aquaculture.
- Hankinson Renewable Energy pursuing heat stack recovery technology aimed at increasing ethanol production and demand for corn which creates additional revenue in the state while reducing the use of water and natural gas.

We thank you for your support of the state's ethanol industry in the past and urge your favorable consideration of HB 1014, specifically regarding the continued funding for the North Dakota Renewable Energy Program.