

Summit Carbon Solutions Testimony on House Bill 1295
February 3, 2025, 9:30 A.M.
House Finance and Tax Committee
Representative Headland, Chairman

Dave Nehring – Ag & Stakeholder Relations
Summit Carbon Solutions

Opposition to HB 1295

1 Chairman Headland, and members of the committee. My name is Dave Nehring, and I am a
2 Director of Ag and Stakeholder Relations for **Summit Carbon Solutions (SCS)**. I am here today in
3 opposition to House Bill 1295.

4 HB 1295 proposes to remove economic development (sales and uses) tax incentives for projects
5 involving carbon capture when used for either permanent storage or enhanced oil recovery.

6 The legislature has worked for many years to create a legal, tax, and regulatory framework to lead the
7 world in CO₂ development: such as, the definition of pore space, the fee structure at the ND Industrial

8 Commission, the long-term accountability for CO₂ storage, exempting CO₂ from sales and use tax,
9 encouraging important investments and furthering research and development. This bill intends to
10 remove specific tax incentives that were put in place through the wisdom of prior legislative action to
11 promote the development of carbon capture storage and utilization. The future of agriculture and
12 energy – our two most important industries – depends on stable and predictable CO₂ policies. We are
13 asking that you do not start repealing or changing laws before you've even given the well thought out
14 policies a chance to work. Incentivize the activities that you want to continue and tax the things you

15 want to end.

16
17 **MARKETS DEMAND LOW CARBON FUEL**

18 Regardless of perspectives on CO₂ - markets are demanding low-emission energy. ND has invested
19 millions in anticipation of this market, and ND ideally positioned to thrive and take advantage of this
20 market for the prosperity and continued growth of our agriculture and energy industries.

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Current Projects

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The regulatory, tax, and legal regime is working, and investments to extend the life of our

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agriculture and energy industries have been made. A few prime examples include:

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- Oil - Cedar Hills EOR project, Dakota Gasification Company/Weyburn EOR project

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- Coal - Project Tundra, Dakota Gasification Company CO₂ Sequestration Project, Rainbow

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Energy Center/Coal Creek Station

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- Agriculture - Red Trail Energy Ethanol Plant, Blue Flint Ethanol, Summit Carbon

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Solutions/Tharaldson Ethanol

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- . . . and more to come.

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CONCLUSION

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HB 1295 is targeted legislation. It is primarily intended to negatively impact projects related to

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Carbon Capture, disregarding the importance of developing this new industry. It is for these reasons

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that we respectfully ask this committee's recommendation of DO NOT PASS on HB 1295. This concludes

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my testimony, and I am happy to answer any questions. Thank you.