Summit Carbon Solutions Testimony on House Bill 1210 January 30, 2025, 2:30 P.M. House Energy and Natural Resource Committee Representative Todd Porter, Chairman

Jeffrey Skaare – Director of Land Summit Carbon Solutions Opposition to HB 1210

Thank you, Chairman Porter, and fellow House Committee Members. My name is Jeffrey

Skaare, and I serve as the Director of Land for Summit Carbon Solutions (SCS). I am here today to respectfully urge your opposition to House Bill 1210.

House Bill 1210 proposes the creation of a statutory lien for all property owners within a 25-mile

radius of CO₂ pipelines, which the bill defines as a "Kill Zone." This legislation is both unnecessary and unprecedented, as it contradicts the facts surrounding CO₂ pipeline safety and the existing legal protections already in place.

8 <u>SAFETY</u>

Pipelines, by their nature, are safe, and CO₂ pipelines are among the safest in the industry. The Pipeline and Hazardous Materials Safety Administration (PHMSA), a division of the U.S. Department of Transportation, is the ultimate authority regarding safety requirements for CO₂ pipelines. According to PHMSA data, over 5,000 miles of CO₂ pipelines have operated in the United States for decades without a single fatality. By following PHMSA requirements, Summit Carbon Solutions' design, construction, and operational standards, ensure that our pipeline will be the safest CO₂ pipeline ever built.

LIABILITY AND EXISITING PROTECTIONS

North Dakota's legal framework already provides substantial protections for landowners. Under state common law, injured parties can pursue damages for negligence. Beyond this, SCS has proactively incorporated indemnity clauses into its agreements with landowners. These clauses explicitly state that SCS will: "Indemnify and hold Landowner harmless from and against any claim, liability, or loss from personal injury or property damage resulting from or arising out of the use of

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1	the Easement by Company, its servants, agents, or invitees, excepting, however, such claims,
2	liabilities, or damages as may be due to or caused by the acts of Landowner, or its servants, agents,
3	or invitees."
4	Moreover, the North Dakota Public Service Commission (PSC) has thoroughly evaluated liability
5	concerns, concluding in its order that: "No additional requirements are needed to ensure the Project
6	will have minimal adverse impacts on the liability insurance requirements of the landowners."
7	SCS also maintains significant insurance coverage, as required by the PSC, with \$100 million in
8	liability insurance and an additional \$25 million in general liability insurance specifically for the
9	North Dakota portion of the project. These measures provide robust safeguards for landowners.
10	UNPRECEDENTED AND UNNECESSARY LEGISLATION
11	The automatic lien provision proposed in HB 1210 is both unnecessary and excessive,
12	particularly given the stringent safety measures, legal protections, and insurance coverage already in
13	place. No comparable legislation exists for other industries with potential risks, including:
14	Nuclear power plants, regulated under the federal Price-Anderson Act but not subject to
15	automatic liens.
16	Anhydrous ammonia storage facilities, highly regulated by OSHA and the EPA without
17	automatic lien requirements.
18	Oil and gas pipelines, regulated by PHMSA, which also lack automatic lien systems for
19	landowner claims.

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Storage facilities for gasoline, diesel fuel, jet fuel, propane, and other natural gas liquids, all of 1 2 which are far more volatile than CO₂ and face no similar statutory lien requirements. 3 Likewise, industries such as rail transport of hazardous materials, chemical plants, and wind or 4 solar projects are not subject to this type of regulation. HB 1210 imposes an unjustified and 5 disproportionate regulatory burden on a single industry, setting a dangerous precedent. 6 CONCLUSION 7 HB 1210 is an unwarranted and targeted piece of legislation; it is not grounded in science or evidence but is instead an attempt to obstruct a thoroughly vetted and publicly supported project. It 8 9 disregards the substantial safety, legal, and insurance measures already in place. CO₂ pipelines are safe, 10 and SCS's pipeline, built to the most rigorous PHMSA standards, will be the safest of its kind. 11 Summit Carbon Solutions has gone above and beyond to ensure the protection of landowners, incorporating indemnity agreements and substantial insurance coverage into our framework. The 12 proposed statutory lien is excessive, unprecedented, and inconsistent with the treatment of other 13 industries. For these reasons, I respectfully urge the Committee to oppose House Bill 1210. 14

Thank you, Mr. Chairman. I am happy to stand for any questions.

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