

Summit Carbon Solutions Testimony on Senate Bill 2320
January 29, 2025, 9:30 A.M.
Senate Finance and Tax Committee
Representative Weber, Chairman

Charlie Adams, Agriculture & Stakeholder Relations Manager
Summit Carbon Solutions

Opposition to HB 2320

1 Thank you, Chairman Weber, and members of the committee. My name is Charlie Adams. I am the
2 Agriculture and Stakeholder Relations Manager for Summit Carbon Solutions (SCS). I am here today to
3 ask for your opposition to SB 2320.

4 SB 2320 proposes to remove a tax exemption for interstate CO₂ pipelines and therefore
5 negatively changes the business landscape in North Dakota when it comes to the opportunity the state
6 has with the CO₂ economy.

7 North Dakota is currently business friendly, and I know the legislature takes pride in the state's
8 economic successes as a result. The North Dakota legislature has worked for many years to create a
9 legal, tax, and regulatory framework to lead the world in CO₂ development, including the definition of
10 pore space, the fee structure at the ND Industrial Commission, the long-term accountability for CO₂
11 storage, exempting CO₂ from sales and use tax, and important investments in research and
12 development. This bill intends to remove specific tax incentives that were put in place through the
13 wisdom of prior legislative action to promote the development of our important industries. The future
14 of agriculture and energy – our two most important industries – depend on stable and predictable CO₂
15 policies.

16 The Carbon dioxide pipeline exemption was enacted specifically as an incentive to encourage
17 development of the necessary infrastructure to continue these two most important industries. The
18 proposed change arbitrarily singles out interstate pipelines. The proposed change is targeted at a

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1 specific project and intends to remove a specific incentive which was in place. The State of North
2 Dakota enacted this section to encourage pipeline development. It worked. Summit Carbon Solutions
3 has invested hundreds of millions of dollars in North Dakota to strengthen the Ag economy by helping
4 57 ethanol plants across the Midwest to access new markets for corn ethanol.

5 SB 2320 sends an unclear message to industry by arbitrarily singling out CO₂ and making developers
6 weary of the business landscape in North Dakota. We respectfully encourage your opposition to this
7 bill.

8 Thank you. I'm happy to answer any questions.