



January 30, 2025

Chairman Patten and Senate Energy and Natural Resource Committee Members,

I am submitting this testimony in opposition to Senate Bill 2322 on behalf of the Lignite Energy Council. This bill, which seeks to revoke eminent domain for projects utilizing federal tax credits under Section 45Q, would undermine North Dakota's leadership in the carbon economy and hinder critical energy development.

CO<sub>2</sub> pipelines are essential infrastructure, much like oil and gas pipelines, ensuring the viability of carbon capture projects that drive economic growth. Coal plants play a key role by producing CO<sub>2</sub> for enhanced oil recovery (EOR), creating a valuable carbon market while generating new revenue streams that help sustain North Dakota's energy strategy.

Enhanced oil recovery is vital to the state's economy, as oil revenue funds over half of North Dakota's budget, supporting roads, bridges, schools, and critical public services. The 45Q tax credits incentivize private investment in carbon capture, enabling projects that could unlock 3 to 7 billion barrels of additional oil in the Bakken and generate billions in tax revenue. However, without CO<sub>2</sub> pipelines to support future EOR, this revenue source will decline, putting the state's budget and economy at risk.

Eliminating the ability to build CO<sub>2</sub> pipelines would weaken North Dakota's economic foundation, creating instability and straining essential government functions. This is why CO<sub>2</sub> pipelines must retain eminent domain authority, they serve a public purpose by sustaining economic growth and ensuring stable government funding. Additionally, removing CO<sub>2</sub> from the list of common carriers would undermine pipeline infrastructure, limit future development, and restrict open access to critical infrastructure that supports industries driving economic security.

To maintain North Dakota's energy leadership and long-term economic growth, I urge the committee to issue a Do Not Pass recommendation on Senate Bill 2322.

Thank you for your consideration,

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