



RED TRAIL ENERGY, LLC

“Our Farms, Our Fuel, Our Future”

PO Box 11 Richardton, ND 58652 (701)-974-3308 FAX (701)-974-3309

**Testimony of Dave Burns, Regulatory and Compliance Manager
Red Trail Energy
Opposition of SB 2212 and 2228
January 27, 2023**

Chairman Patten and members of the Senate Energy and Natural Resources committee,

I am Dave Burns, CCS Regulatory and Compliance Manager with Red Trail Energy (Red Trail) located in Richardton. I am here representing Red Trail Energy in place of Chief Executive Officer Gerald Bachmeier who was unable to attend today. Red Trail is here today to indicate opposition for Senate Bills 2212 and 2228. These bills would be detrimental to Red Trail and its current and future advancement in low carbon fuel markets.

Red Trail Energy began producing ethanol in 2007 and now employs 48 personnel with an annual payroll of \$4 million. Originally constructed as one of the first coal-fired ethanol plants in the nation, Red Trail was converted to natural gas in 2015. Red Trail produces 59-64 million gallons of ethanol, using 21-23 million bushels of corn annually. The plant will generate 2.8 gallons of ethanol from every bushel of corn. Coproducts produced by the plant include 125,000 tons of dried distillers grain, 80,000 tons of modified-wet cake and 18 million pounds of corn oil annually. We are currently injecting roughly 500 tons of carbon (CO₂) per day. We participate in low carbon fuel standards in Oregon and British Columbia and are applying for a pathway in California.

On June 16, 2022 Red Trail celebrated a historic moment in North Dakota history of becoming the first facility permitted under state primacy to capture and store CO₂. Red Trail is continually looking for other ways to lower its carbon intensity (CI) score. We have future plans to implement several groundbreaking technologies that would allow Red Trail to capture and store an additional 200,000 tons of CO₂ per year. These plans would require Red Trail to expand its amalgamated area to accommodate these new technologies.

Senate Bill 2212 completely repeals common carrier status for CO₂ projects. Senate Bill 2228 repeals amalgamation for CO₂ projects. Red Trail values its landowners and understands that amalgamation is never the first mode of action, but it is a tool that must be utilized at times for the minority shouldn't be able to out voice the majority on project development.

Bills such as SB 2212 and 2228 would inhibit future expansion for Red Trail and the other regional ethanol plants by inhibiting implementation of new technologies; and could have consequences on existing projects. These bills will not only affect Red Trail but will dramatically affect the ethanol industry in the state. The proposed policy would be detrimental to any ethanol plant looking to get into lower carbon fuel markets and will put North Dakota's commodities at a disadvantage on a national level. Thank you for your time today and on behalf of Red Trail Energy I respectfully urge a 'Do Not Pass' on SB 2212 and 2228.