



**Testimony of Ryan Carter, Chief Operating Officer of Tharaldson Ethanol**

**North Dakota Ethanol Producers Association**

**Opposition of HB 1573**

**February 3, 2025**

Chairman Headland and members of the House Finance and Taxation committee,

I am Ryan Carter, Chief Operating Officer of Tharaldson Ethanol in Casselton, ND. Our facility is the ninth largest ethanol manufacturing facility in the United States and produces a high-octane, clean burning fuel that reduces our nation's dependence on foreign oil, while utilizing our locally grown, renewable agricultural resources. In total our plant produces 175 million gallons of ethanol every year.

I am also the vice president of the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. On behalf of NDEPA, I am here to oppose HB 1573, which proposes the imposition of a pore space utilization tax, which would negatively impact the ethanol industry and its ability to invest in carbon capture and storage (CCS) technologies.

The ethanol industry is a vital contributor to North Dakota's economy, providing jobs, supporting rural communities and enhancing energy security. Many ethanol producers in the state have taken proactive steps to lower their carbon intensity by investing in CCS projects. However, the tax proposed in HB 1573 would add unnecessary financial burdens on these projects, discouraging further investment and innovation in CCS infrastructure.

Carbon capture and storage is becoming essential for the ethanol industry to meet low-carbon fuel standards and access premium markets. The imposition of a pore space utilization tax would increase costs for ethanol producers, making it more difficult to compete in the marketplace. Additionally, this tax could deter future CCS infrastructure development, undermining North Dakota's position as a leader in carbon management and energy innovation.

Furthermore, the proposed allocation of tax revenues does not adequately consider the economic consequences of discouraging CCS projects. Imposing a tax on industries that are actively working to reduce emissions and enhance sustainability is counterproductive. A more balanced approach that incentivizes, rather than penalizes, carbon reduction efforts would better serve North Dakota's economic and environmental interests.

For these reasons, NDEPA respectfully urges the committee to urge a "Do Not Pass" on HB 1573. Maintaining a supportive policy environment for ethanol producers will ensure continued economic growth, job creation and continued leadership in sustainable energy solutions. Thank you for your time and consideration.