

**2025 SENATE FINANCE AND TAXATION**

**SB 2333**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2333  
1/29/2025

Relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:30 a.m. Chairman Weber reconvened the meeting.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Verification process of farm vehicles and equipment
- Allocation to infrastructure rather than ethanol production incentives
- Ethanol industry projects in North Dakota

10:30 a.m. Senator Wanzek, District 29, introduced SB 2333, testified in favor and submitted testimony #32571.

10:47 a.m. Doug Goehring, Agricultural Commissioner, testified in favor and submitted testimony #32577.

10:55 a.m. Amy Cleary, Lobbyist, North Dakota Ethanol Producers, testified in favor.

10:56 a.m. Tracey Olson, Chief Operating Officer, North Dakota Ethanol Producers Association, testified in favor and submitted testimony #32446.

11:02 a.m. Lesley Icenogle, North Dakota Corn Growers Association, testified in favor and submitted testimony #32448.

11:04 a.m. Lance Gaebe, Policy Strategist, North Dakota Farmers Union, testified in favor and submitted testimony #32372.

11:07 a.m. Zachary Cassidy, Organizer, Dakota Resource Council, testified in favor and submitted testimony #32000.

11:09 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

**Zach Cassidy**

Organizer

Dakota Resource Council

Dear Mr Chairman and members of the committee. I am Zachary Cassidy, writing in opposition to SB 2333, which would create a low-carbon fund, that would support the carbon industry.

These projects are set to make billions, including for out-of-state companies. As such they do not need to get more support from the state, when it has already invested millions in this industry. Before we continue our support of these projects, we should consider their impact on public health and on property rights before the state blindly supports an industry that could cause more harm than good.

As such I recommend a DO NOT PASS on this bill.



Contact:  
**Lance Gaebe, Lobbyist**  
[lgaebe@ndfu.org](mailto:lgaebe@ndfu.org) | 701 952-0103

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**Testimony of Lance Gaebe  
North Dakota Farmers Union  
In Support of SB 2333  
Senate Finance and Tax Committee  
January 29, 2025**

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Chairman Weber and members of the Finance and Tax Committee,

Thank you for the opportunity to testify on behalf of the members of North Dakota Farmers Union in support of Senate Bill No. 2333. I am Lance Gaebe.

Ethanol production provides an important local market for millions of bushels of corn, creates good jobs in rural communities, and provides a valuable feed source for livestock producers. North Dakota's ethanol industry has significantly benefited from past legislative support, notably the 2003 countercyclical incentive program. This farmer-funded program played a crucial role in establishing our state's ethanol sector.

Today, the ethanol industry faces new opportunities and challenges. Growing demand for low-carbon fuels presents both significant market advantages and a need for adaptation. SB 2333 will help North Dakota ethanol producers make the necessary investments in their facilities to meet low-carbon fuels demand.

This shift to a low-carbon fuels focus will:

- Enhance competitiveness by enabling producers to access premium markets for low-carbon fuels, increasing profitability and opportunities for farmers.
- Drive economic growth and stimulate investment and jobs in construction, engineering, and bio-based products.
- Strengthen agriculture with a continued stable and profitable market for North Dakota-grown corn, while continuing to offer valuable livestock feed.

By supporting innovation, North Dakota can position itself as a leader in renewable fuels production, attracting further investment and ensuring the long-term success of our ethanol and agriculture industries.

North Dakota Farmers Union urges your favorable consideration of SB 2333. I will stand for any questions.



**Testimony of Tracey Olson, Chief Operating Officer of Guardian Energy Management**

**North Dakota Ethanol Producers Association**

**In Support of SB 2333**

**January 29, 2025**

Chairman Weber and members of the Senate Finance and Taxation committee,

I am Tracey Olson. I am the COO of Guardian Energy Management which owns one plant in North Dakota, Guardian Energy Hankinson in Hankinson, ND. I am also the president of the North Dakota Ethanol Producers Association (NDEPA) board, which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. On behalf of NDEPA, I am here to support SB 2333, which establishes a low-carbon fuel fund and positions North Dakota's ethanol industry for continued growth and innovation.

This bill recognizes the evolving landscape of renewable energy by creating a framework to support critical investments in reducing the carbon intensity of ethanol production. Through incentives for eligible capital projects – such as carbon dioxide capture and storage, energy efficiency upgrades and ethanol yield improvements, this bill reflects a commitment to modernizing facilities and improving environmental outcomes and securing long-term competitiveness of North Dakota's ethanol industry.

The foundation for SB 2333 can be traced back to the counter-cyclical fund for ethanol production established in North Dakota in 1989. Initially, the state incentivized ethanol-blended gasoline through a 4-cent per gallon tax reduction for retailers. The existing counter-cyclical fund replaced that approach, providing direct support to ethanol producers during challenging market conditions. Over the program's 10-year lifespan, it has played a crucial role in stabilizing and growing the industry in North Dakota, contributing to the remarkable growth we see today.

Notably, the program's success is evident across the state where it was implemented. In its 10 year duration, only two of the original ethanol plants in North Dakota have closed, Alchem, Ltd in Grafton started operation in 1989 and closed in 2007. As well as Archer Daniels Midland Company in Walhalla

which opened and closed a series of times from 1989 to 2012. With that the six ethanol plants we now have in the state opened in 2007, 2008, 2015 and 2020. With five of the six ethanol plants staying open – it is a testament to the program’s effectiveness in fostering resiliency. Furthermore, the five existing plants in the program are reaching fulfillment of the program. Today, North Dakota’s ethanol production capacity stands at 550 million gallons per year, over fifty percent more than what it was a decade ago.

SB 2333 proposes to repurpose the legacy of the counter-cyclical program into a forward-looking initiative focused on low-carbon fuel production. By aligning incentives with infrastructure investment that reduces carbon intensity, this bill positions North Dakota to continue to compete in emerging low-carbon markets. North Dakota’s ethanol plants generate 2.4 million tons of CO<sub>2</sub> annually. By utilizing carbon capture and storage, these emissions could qualify for federal 45Q tax credits that are valued at \$85 per ton. This would create an addition \$204 million for 12 years and would significantly benefit both ethanol producers and North Dakota’s agriculture economy.

This bill ensures responsible stewardship of resources. Incentives are tied directly to tangible infrastructure improvements, with clear limits on individual and cumulative funding allocations to maintain fairness and effectiveness.

The ethanol industry has long been a cornerstone of North Dakota’s renewable energy sector, contributing nearly \$1.7 billion annually to the state’s economy and supporting thousands of jobs. By passing SB 2333, the legislature has the opportunity to continue to build on the proven model of success, ensuring that North Dakota remains a leader in renewable fuels while fostering economic growth and innovation.

Thank you for your time and consideration. With that, NDEPA urges the committee to recommend a “Do Pass” on SB 2333.



**In Favor of SB 2333**  
**Senate Finance and Taxation**  
**January 29, 2025**

Chairman Weber and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2333.

As global production of corn increases, North Dakota corn farmers depend on robust demand for grain and value-added products for their livelihoods. Ethanol production allows half of North Dakota corn to stay in state and be processed into something more valuable. In years when the corn production quality is less than ideal, ethanol plants provide a critical market.

As more markets adopt low carbon fuel standards, ethanol plants must lower their carbon intensity scores to remain competitive. Canada, California, and Oregon have enacted such policies, and other states and countries are considering similar measures. International customers are asking for it. For corn growers, this is about economic realities, preventing market loss, and expanding future markets.

And now with the airline industry committed to the development and use of sustainable aviation fuel (SAF), the race is on to meet the production demand. There are tremendous opportunities for an expanded market for North Dakota products like corn, soybeans, and sugar beets.

However, challenges remain. LanzaJet opened the world's first ethanol-to-SAF production facility in Georgia in early 2024. Even though we have ample domestic ethanol made from American corn, they are importing Brazilian ethanol because our ethanol currently does not have a low enough carbon intensity score.

SB 2333 will support ethanol production facilities to make capital improvements that lower their carbon intensity. This investment in value-added agriculture will benefit North Dakota producers, rural communities, and our state's economy.

The North Dakota Corn Growers urge a Do Pass recommendation on SB 2333. Thank you for your consideration, and I will stand for questions.



## SB 2333 Testimony – Senator Terry Wanzek

- SB 2333 replaces the ethanol production incentive fund with the low carbon fuels fund. The production incentive fund has served its purpose. It was a counter cyclical matrix formula providing production incentives based on market costs of corn versus market value of ethanol.
- The ethanol plants are no longer receiving funding from this program. Yet the production incentive fund has a continuing appropriation from 40% of all sums collected for the registration of all farm vehicles and currently has a balance of approximately \$6 million. This bill will redirect those funds to a new low carbon fuels fund. Previously the fund had a cap of \$7.5 million. The new fund will be capped at \$30 million.
- The new low carbon fuels fund incentives will be distributed to ethanol facilities for eligible projects that increase efficiency and decrease the carbon intensity of their production process.
- Distributions to any one ethanol facility are limited to 50% of the costs of any eligible project and may not exceed \$3 million per biennium or cumulatively more than \$10 million total over a 10 year period beginning with the first distribution to the facility.
- Eligible capital projects are defined as new infrastructure or replacement of existing infrastructure for CO2 capture and storage, beneficial use of CO2, energy efficiency enhancements or ethanol yield improvements.
- These funds to the low carbon fuels fund is paid for by farmers, just as they paid for the ethanol production incentive fund. The funding comes from 40% of all sums collected for the registration of farm trucks or combinations of trucks and trailers weighing more than 20,000 lbs but not more than 105500 lbs., owned or leased by a bona fide resident farmer who uses it exclusively for transporting the farmers own property.
- Importance of the program and ethanol is significant. There is a huge opportunity to increase market. By lowering the CI score could present an opportunity to produce SAF. A current ethanol plant CIS is approximately 70. If an infrastructure project captures and sequesters an ethanol plants CO2, it could reduce the carbon intensity score to 30. SAF requires a score of 50
- Current USA ethanol market demand is about 15 Billion gallons. SAF would be 20 Billion gallons, domestically, and globally the market is over 100 billion gallons. Lowering our carbon intensity score would open a huge new opportunity for corn farmers to seek SAF markets.
- ND Corn crop 2023- 543 million bushels produced on 3.8 million acres. At \$4.50 per bushel =\$2.5 billion crop. Turned over 4 times in our communities equals \$10 billion economic impact. 46% of ND corn is used to produce ethanol. 43% is exported and 11% for animal feed and 5% corn sweetener.

COMMISSIONER  
DOUG GOEHRING



ndda@nd.gov  
www.ndda.nd.gov

**Testimony of Doug Goehring  
Agriculture Commissioner  
Senate Finance and Taxation Committee  
Fort Totten  
January 29, 2025**

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Chairman Weber and members of the Senate Finance and Taxation Committee, I am Agriculture Commissioner Doug Goehring. I am here today in support of SB 2333 which relates to the low-carbon fuels.

The proposed funding for ethanol production facilities would be used to help offset the cost of equipment and technologies to capture carbon dioxide and decrease the carbon intensity score of the process. The low-carbon fuel incentives will be limited to fifty percent of the cost of each project and no more than three million dollars per facility per biennium. This is a step toward making eligible products for sustainable aviation fuel.

Chairman Weber and committee members, thank you for your consideration of SB 2333. I would be happy to answer any questions you may have.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2333  
2/5/2025

Relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

9:19 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Fund revenues and expenditures
- Ethanol production incentive fund
- Low carbon fuels fund

9:26 a.m. Senator Patten moved a Do Pass and rereferred to appropriations.

9:26 a.m. Vice Chairman Rummel seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Senator Powers will carry the bill.

9:27 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2333 ([25.1286.01000](#))**

**Finance and Taxation Committee (Sen. Weber, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2333 was rereferred to the **Appropriations Committee**. This bill does not affect workforce development.

**2025 SENATE APPROPRIATIONS**

**SB 2333**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

2333  
2/11/2025

A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:02 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

### Discussion Topics:

- Ethanol plant fund redirection
- New fund guidelines
- Source of fund monies
- Sustainable aviation fuel
- Carbon score
- Economic impact of corn
- Market demand for low carbon intensity
- Carbon scoring process
- '45Q / 45Z' defined

10:03 a.m. Senator Wanzek testified in favor.

10:14 a.m. Jeff Zueger, CEO for Harvestone Low Carbon Partners, testified in favor and submitted testimony #37056.

10:29 a.m. Lance Gaebe, ND Farmers Union, testified in favor.

10:31 Senator Dwyer moved a Do Pass for SB 2333.  
Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0

Senator Wanzek will carry the bill.

Senate Appropriations Government Operations Division  
SB 2333  
2/11/2025  
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10:33 a.m. Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*



**Testimony of Jeff Zueger, CEO of Harvestone Low Carbon Partners**

**North Dakota Ethanol Producers Association**

**In Support of SB 2333**

**February 11, 2025**

Chairman Wanzek and members of the Senate Appropriations – Government Operations Division:

I am Jeff Zueger, the CEO of Harvestone Low Carbon Partners (formally known as Midwest Ag Energy) which owns two plants in North Dakota, Blue Flint in Underwood and Dakota Spirit in Spiritwood. I am also a director on the North Dakota Ethanol Producers Association (NDEPA) board, which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. On behalf of NDEPA, I am here to support SB 2333, which establishes a low-carbon fuel fund and positions North Dakota's ethanol industry for continued growth and innovation.

This bill recognizes the evolving landscape of renewable energy by creating a framework to support critical investments in reducing the carbon intensity of ethanol production. Through incentives for eligible capital projects – such as carbon dioxide capture and storage, energy efficiency upgrades and ethanol yield improvements, this bill reflects a commitment to modernizing facilities and improving environmental outcomes and securing long-term competitiveness of North Dakota's ethanol industry.

The foundation for SB 2333 can be traced back to the counter-cyclical fund for ethanol production established in North Dakota in 1989. Initially, the state incentivized ethanol-blended gasoline through a 4-cent per gallon tax reduction for retailers. The existing counter-cyclical fund replaced that approach, providing direct support to ethanol producers during challenging market conditions. Over the programs 10-year lifespan, it has played a crucial role in stabilizing and growing the industry in North Dakota, contributing to the remarkable growth we see today.

Notably, the program's success is evident across the state where it was implemented. In its 10 year duration, only two of the original ethanol plants in North Dakota have closed, Alchem, Ltd in Grafton started operation in 1989 and closed in 2007. As well as Archer Daniels Midland Company in Walhalla which opened and closed a series of times from 1989 to 2012. With that the six ethanol plants we now have in the state opened in 2007, 2008, 2015 and 2020. With five of the six ethanol plants staying open



– it is a testament to the program’s effectiveness in fostering resiliency. Furthermore, the five existing plants in the program are reaching fulfillment of the program. Today, North Dakota’s ethanol production capacity stands at 550 million gallons per year, over fifty percent more than what it was a decade ago.

SB 2333 proposes to repurpose the legacy of the counter-cyclical program into a forward-looking initiative focused on low-carbon fuel production. By aligning incentives with infrastructure investment that reduces carbon intensity, this bill positions North Dakota to continue to compete in emerging low-carbon markets. North Dakota’s ethanol plants generate 2.4 million tons of CO<sub>2</sub> annually. By utilizing carbon capture and storage, these emissions could qualify for federal 45Q tax credits that are valued at \$85 per ton. This would create an addition \$204 million for 12 years and would significantly benefit both ethanol producers and North Dakota’s agriculture economy.

This bill ensures responsible stewardship of resources. Incentives are tied directly to tangible infrastructure improvements, with clear limits on individual and cumulative funding allocations to maintain fairness and effectiveness. The ethanol industry has long been a cornerstone of North Dakota’s renewable energy sector, contributing nearly \$1.7 billion annually to the state’s economy and supporting thousands of jobs. By passing SB 2333, the legislature has the opportunity to continue to build on the proven model of success, ensuring that North Dakota remains a leader in renewable fuels while fostering economic growth and innovation.

Thank you for your time and consideration. With that, NDEPA urges the committee to recommend a “Do Pass” on SB 2333.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2333  
2/13/2025

A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to a low-carbon fuels fund; relating to the distribution of certain vehicle registration fees and ethanol production incentives; and relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

11:02 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

### Discussion Topics:

- Other Funds Expenditures and Revenue Impact
- Old and New Funding Caps
- Revenue Above Funding Caps Destination
- Facility Funding Cap

11:02 a.m. Senator Wanzek introduced the bill.

11:05 a.m. Senator Wanzek moved a Do Pass.

11:05 a.m. Senator Erbele seconded the motion.

11:05 a.m. Adam Mathiak, Legislative Council Senior Fiscal Analyst, testified as neutral.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y

Senator Terry M. Wanzek	Y
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Motion Passed 15-1-0.

Senator Powers will carry the bill.

11:17 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2333 ([25.1286.01000](#))**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2333 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**2025 HOUSE FINANCE AND TAXATION**

**SB 2333**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2333  
3/10/2025

Relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:35 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Steiner, Toman

Members Absent: Representative Porter

### Discussion Topics:

- Incentive programs
- Carbon capture projects
- Low Carbon Fuels Fund
- Vehicle registration

10:35 a.m. Doug Goehring, Commissioner, ND Office of Agricultural Commissioner, introduced the bill, testified in favor and submitted testimony #39958.

10:45 a.m. Laura Lacher, Executive Director, ND Ethanol Producers Association, testified in favor and submitted testimony #39714.

10:48 a.m. Lance Gaebe, Policy Strategist, ND Farmers Union, testified in favor and submitted testimony #39798.

10:52 a.m. Lesley Icenogle, ND Corn Growers Association, testified in favor and submitted testimony #39864.

### Additional written testimony:

Dallas Gerber, Director of State Government Affairs, Growth Energy, submitted testimony in favor #39856.

10:54 a.m. Chairman Headland closed the hearing.

*Janae Pinks, Committee Clerk*



**Testimony of Jeff Zueger, CEO of Harvestone Low Carbon Partners**

**North Dakota Ethanol Producers Association**

**In Support of SB 2333**

**March 10, 2025**

Chairman Headland and members of the House Finance and Taxation Committee:

I am Jeff Zueger, the CEO of Harvestone Low Carbon Partners (formally known as Midwest Ag Energy) which owns two plants in North Dakota, Blue Flint in Underwood and Dakota Spirit in Spiritwood. I am also a director on the North Dakota Ethanol Producers Association (NDEPA) board, which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. On behalf of NDEPA, I am here to support SB 2333, which establishes a low-carbon fuel fund and positions North Dakota's ethanol industry for continued growth and innovation.

This bill recognizes the evolving landscape of renewable energy by creating a framework to support critical investments in reducing the carbon intensity of ethanol production. Through incentives for eligible capital projects – such as carbon dioxide capture and storage, energy efficiency upgrades and ethanol yield improvements, this bill reflects a commitment to modernizing facilities and improving environmental outcomes and securing long-term competitiveness of North Dakota's ethanol industry.

The foundation for SB 2333 can be traced back to the counter-cyclical fund for ethanol production established in North Dakota in 1989. Initially, the state incentivized ethanol-blended gasoline through a 4-cent per gallon tax reduction for retailers. The existing counter-cyclical fund replaced that approach, providing direct support to ethanol producers during challenging market conditions. Over the programs 10-year lifespan, it has played a crucial role in stabilizing and growing the industry in North Dakota, contributing to the remarkable growth we see today.

Notably, the program's success is evident across the state where it was implemented. In its 10 year duration, only two of the original ethanol plants in North Dakota have closed, Alchem, Ltd in Grafton started operation in 1989 and closed in 2007. As well as Archer Daniels Midland Company in Walhalla which opened and closed a series of times from 1989 to 2012. With that the six ethanol plants we now have in the state opened in 2007, 2008, 2015 and 2020. With five of the six ethanol plants staying open

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This bill ensures responsible stewardship of resources. Incentives are tied directly to tangible infrastructure improvements, with clear limits on individual and cumulative funding allocations to maintain fairness and effectiveness. The ethanol industry has long been a cornerstone of North Dakota’s renewable energy sector, contributing nearly \$1.7 billion annually to the state’s economy and supporting thousands of jobs. By passing SB 2333, the legislature has the opportunity to continue to build on the proven model of success, ensuring that North Dakota remains a leader in renewable fuels while fostering economic growth and innovation.

Thank you for your time and consideration. With that, NDEPA urges the committee to recommend a “Do Pass” on SB 2333.





Contact:  
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**Testimony of Lance Gaebe  
North Dakota Farmers Union  
In Support of SB 2333  
House Finance and Tax Committee  
March 10, 2025**

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Chairman Headland and members of the Finance and Tax Committee,

Thank you for the opportunity to testify on behalf of the members of North Dakota Farmers Union in support of Senate Bill No. 2333. I am Lance Gaebe.

Ethanol production provides an important local market for millions of bushels of corn, creates good jobs in rural communities, and provides a valuable feed source for livestock producers. North Dakota's ethanol industry has significantly benefited from past legislative support, notably the 2003 countercyclical incentive program. This farmer-funded program played a crucial role in establishing our state's ethanol sector.

Today, the ethanol industry faces new opportunities and challenges. Growing demand for low-carbon fuels presents both significant market advantages and a need for adaptation. SB 2333 will help North Dakota ethanol producers make the necessary investments in their facilities to meet low-carbon fuels demand.

This shift to a low-carbon fuels focus will:

- Enhance competitiveness by enabling producers to access premium markets for low-carbon fuels, increasing profitability and opportunities for farmers.
- Drive economic growth and stimulate investment and jobs in construction, engineering, and bio-based products.
- Strengthen agriculture with a continued stable and profitable market for North Dakota-grown corn, while continuing to offer valuable livestock feed.

By supporting innovation, North Dakota can position itself as a leader in renewable fuels production, attracting further investment and ensuring the long-term success of our ethanol and agriculture industries.

North Dakota Farmers Union urges your favorable consideration of SB 2333. I will stand for any questions.

March 10, 2025

Hon. Craig Headland  
Chairman  
House Finance and Taxation Committee  
State Capitol  
600 E Boulevard Ave  
Bismarck, ND 58505

Chairman Headland:

Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9.5 billion gallons of cleaner-burning, renewable fuel, including two biorefineries in North Dakota. We also represent 130 businesses and groups, including the North Dakota Corn Growers and North Dakota Ethanol Producers Association, working with them and tens of thousands of biofuel supporters around the country. Together, we remain committed to bringing better and more affordable choices at the fuel pump to consumers, helping our country by rebuilding the farm economy, lowering fuel costs, driving American energy dominance, and winning global markets.

Thank you for the opportunity to provide written testimony in support of SB 2333, important legislation that would help North Dakota bioethanol producers compete in the global carbon economy. The future of bioethanol production in North Dakota lies in ability to produce lower carbon liquid fuel. CO<sub>2</sub>, whether through sequestration, utilization, or process improvements at the biorefinery, has the potential to be as valuable of a commodity as any of the co-products that come from our facilities.

There are a variety of methods and processes that bioethanol producers can use to reduce the carbon intensity of their product. Research conducted by the Energy Futures Initiative Foundation (EFIF) on the decarbonization potential for bioethanol captured these methods and processes along with the carbon intensity (CI) reduction potential, each measure's cost and their feasibility.<sup>1</sup>

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<sup>1</sup> <https://growthenergy.org/wp-content/uploads/2024/09/Decarbonizing-The-US-Ethanol-Industry.pdf>

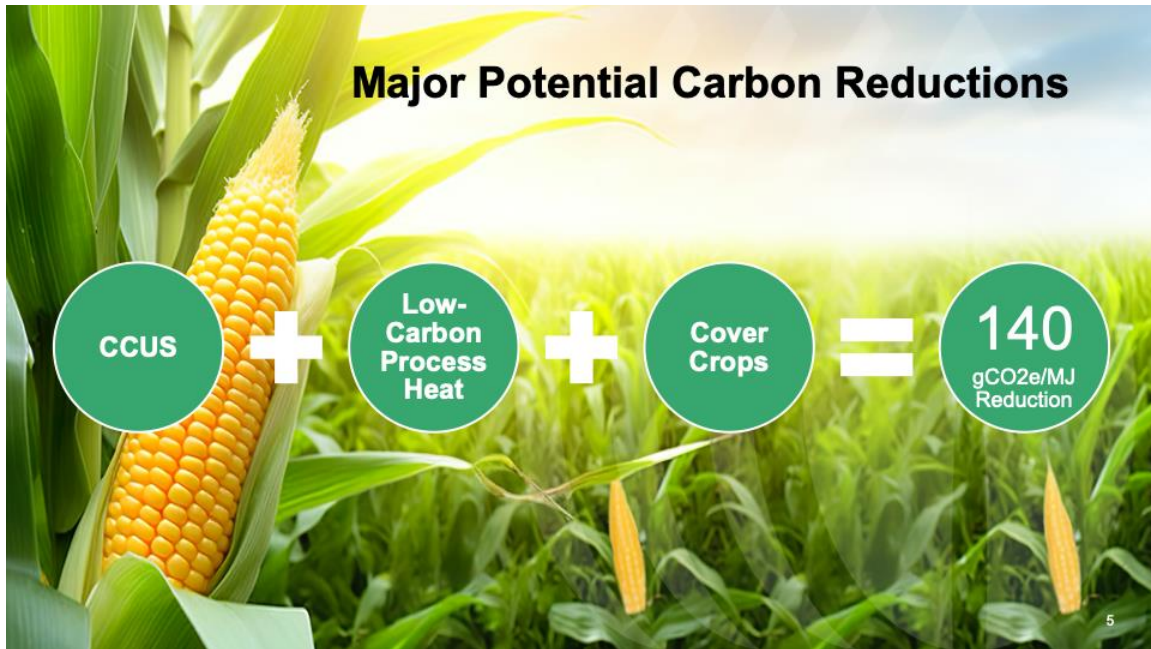
## Biorefinery Decarbonization Measures

			Feasibility		
		CI Reduction Potential	Cost	Widespread Adoption	Readiness for Adoption
Ethanol Yield Improvement		6%	< zero	High	Near Term
Fermentation CCUS		57%	-\$48 (with 45Q) to \$37/ton CO <sub>2</sub>	High	Near Term
Carbon-Free Electricity Use		6%	-\$49 (PPAs) to \$180/ton CO <sub>2</sub> (RECs)	High	Near Term
Decarbonize Thermal Energy Use	Fuel Switching to Hydrogen	37%	\$124 (with 45V) to \$412/ton CO <sub>2</sub>	Medium	Long Term
	Fuel Switching to RNG	32-160%	\$76 to \$220/tCO <sub>2</sub>	Medium	Mid Term
	Biomass CHP	37%	< zero	Medium	Mid Term
	Hydrogen CHP	37%	\$71 (with 45V) to \$376/tCO <sub>2</sub>	Medium	Long Term
	RNG CHP	32-160%	\$57 to 201/tCO <sub>2</sub>	Medium	Mid Term
	CCUS - Thermal Energy Generation	37%	\$21 (with 45Q) to 106/tCO <sub>2</sub>	Medium	Mid Term
Renewable Diesel Use in Ethanol Delivery		<2%	\$127 to 139/tCO <sub>2</sub>	Medium	Near Term

As can be seen above, the reduction potential of each method can range from a few percentage points to as much as 160%. Similarly, the costs of implementing each method ranges from near zero to more than \$400 per ton of CO<sub>2</sub>.

Bioethanol has been a demonstrated leader in low carbon markets like California's Low Carbon Fuel Standard. Ethanol is responsible for 31% of mobile source cumulative GHG reductions to date in California<sup>2</sup>. In the medium- and long-term, the path for bioethanol's deeper decarbonization is real and will be key to competing in the global carbon economy. Yet, as EFIF's research shows, the adoption of many of these technologies and processes are a longer-term investment.

<sup>2</sup> <https://www.transportationenergy.org/research/reports/decarbonizing-combustion-vehicles-a-portfolio-approach-to-ghg-reductions/>



We applaud the introduction and consideration of SB 2333, which supports North Dakota biorefineries to make capital investments reducing their carbon intensity or otherwise improving efficiency. This will help them take advantage of economic opportunities in carbon markets. The previously mentioned EFIF study shows that the combination of three practices, carbon capture utilization and sequestration (CCUS), the use of low-carbon fuels for process heat at the biorefinery, and utilization of cover crops by feedstock producers would result in as much as 140 gCO<sub>2</sub>/MJ in reductions. SB 2333 would provide an incentive for North Dakota's biorefineries to invest in processes like low-carbon process heat or CCUS, positioning them for long-term success in the global carbon economy.

We urge the House Finance and Taxation Committee to recommend Do Pass on SB 2333. Additionally, we are happy to assist the committee with technical questions and thank the committee for its interest in ensuring North Dakota bioethanol remains competitive in the future.

Sincerely,

Chris Bliley  
Senior Vice President of Regulatory Affairs  
Growth Energy



**In Favor of SB 2333**  
**House Finance and Taxation**  
**March 10, 2025**

Chairman Headland and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2333.

As global production of corn increases, North Dakota corn farmers depend on robust demand for grain and value-added products for their livelihoods. Ethanol production allows half of North Dakota corn to stay in state and be processed into something more valuable. In years when the corn production quality is less than ideal, ethanol plants provide a critical market.

As more markets adopt low carbon fuel standards, ethanol plants must lower their carbon intensity scores to remain competitive. Canada, California, and Oregon have enacted such policies, and other states and countries are considering similar measures. International customers are asking for it. For corn growers, this is about economic realities, preventing market loss, and expanding future markets.

And now with the airline industry committed to the development and use of sustainable aviation fuel (SAF), the race is on to meet the production demand. There are tremendous opportunities for an expanded market for North Dakota products like corn, soybeans, and sugar beets.

However, challenges remain. LanzaJet opened the world's first ethanol-to-SAF production facility in Georgia in early 2024. Even though we have ample domestic ethanol made from American corn, they are importing Brazilian ethanol because our ethanol currently does not have a low enough carbon intensity score.

SB 2333 will support ethanol production facilities to make capital improvements that lower their carbon intensity. This investment in value-added agriculture will benefit North Dakota producers, rural communities, and our state's economy.

The North Dakota Corn Growers urge a "Do Pass" recommendation on SB 2333. Thank you for your consideration, and I will stand for questions.

COMMISSIONER  
DOUG GOEHRING



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**Testimony of Doug Goehring  
Agriculture Commissioner  
House Finance and Taxation Committee  
Room 327E  
March 10, 2025**

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Chairman Headland members of the House Finance and Taxation Committee, I am Agriculture Commissioner Doug Goehring. I am here today in support of SB 2333 which relates to the low carbon fuel program

The proposed funding for ethanol production facilities would be used to help offset the cost of equipment and technologies to capture carbon dioxide and decrease the carbon intensity score of the process. The low carbon fuel incentives will be limited to fifty percent of the cost of each project and no more than three million dollars per facility per biennium. This is a step toward making eligible products for sustainable aviation fuels.

Chairman Headland and committee members, thank you for your consideration of SB 2333. I would be happy to answer any questions you may have.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2333  
3/10/2025

Relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:59 a.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Steiner, Toman

Members Absent: Representative Porter

### **Discussion Topics:**

- Highway Distribution Fund
- Counter Cyclical Fund
- Aviation Fuel

11:02 a.m. Representative D. Anderson suggested an amendment on page three to remove wording regarding wind and solar energy.

11:05 a.m. Chairman Headland adjourned the meeting.

*Janae Pinks, Committee Clerk*



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2333  
3/11/2025

Relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

2:38 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

Members Absent: Representative Porter

### Discussion Topics:

- Highway Distribution Fund

2:38 p.m. Representative proposed an amendment to move funds to Highway Distribution Fund.

2:41 p.m. Representative Hagert stated he would work with Representative Toman on the amendments.

2:42 p.m. Chairman Headland closed the meeting.

*Janae Pinks, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2333  
3/17/2025

relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

2:30 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

### Discussion Topics:

- Committee action

2:30 p.m. Representative J. Olson moved a Do Pass and Re-refer to Appropriations.

2:30 p.m. Representative Foss seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	N
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	Y

2:31 p.m. Motion passed 10-4-0.

2:32 p.m. Representative Foss will carry the bill.

2:32 p.m. Chairman Headland closed the meeting.

*Janae Pinks, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2333 ([25.1286.01000](#))**

**Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 4 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2333 was rereferred to the **Appropriations Committee**.

**2025 HOUSE APPROPRIATIONS**

**SB 2333**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

SB 2333  
3/27/2025

A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:19 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

### **Discussion Topics:**

- Ethanol Plants
- Carbon Scores
- Carbon Intensity

10:20 a.m. Representative Hagert introduced the bill.

10:32 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2333  
3/31/2025

A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota Century Code, relating to ethanol production incentives; to provide a continuing appropriation; to provide a transfer; and to provide a report.

10:44 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Vice Chairman Kempenich

### Discussion Topics:

- Committee Action

10:46 a.m. Representative Brandenburg moved Do Pass.

10:46 a.m. Representative Mitskog seconded the motion.

10:47 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

10:47 a.m. Motion passed 22-0-1.

10:47 a.m. Representative Foss will carry the bill.

10:49 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2333 ([25.1286.01000](#))**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2333 was placed on the Fourteenth order on the calendar.