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From: Jeffrey Boeyink <jboeyink@ls2group.com>  
To: Craig, Sara [IGOV]  
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a52b-craig, sara>  
Cc:  
Bcc:  
Subject: Fwd: Summit Carbon pipeline update  
Date: Tue Mar 15 2022 15:09:05 CDT  
Attachments: 2022.03.10 Iowa Landowners Letter.pdf  
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Sent from my iPhone

Begin forwarded message:

From: Jeffrey Boeyink <jboeyink@ls2group.com>  
Date: March 15, 2022 at 2:53:07 PM CDT  
To: Jeffrey Boeyink <jboeyink@ls2group.com>  
Subject: Summit Carbon pipeline update

Good afternoon. On behalf of Bruce Rastetter and the entire Summit Carbon Solutions team I wanted to share some critical updates on the status of this pro-ethanol, pro-agriculture project.

As of today, we have secured voluntary easements from nearly 300 individual Iowa landowners that account for nearly 700 individual tracts of land (and that amounts to 100 miles of the route in Iowa already under contract). We have hundreds of others in the queue and in the very final stages of negotiation. Progress is steady and on pace.

Also, as we pay 100% of the easement upon signing, these agreements amount to over \$10 million of payments to Iowa landowners that have already been made. Millions more are queued up and ready to go when contracts go final.

Assuming that the current rules of engagement are left intact, we are well on pace to secure

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more than 90% of the entire pipeline route through the voluntary easement process (very similar to what was achieved in the Dakota Access Pipeline process). Change those rules and you fundamentally change the conversations with landowners in a manner that could seriously impact this progress.

But unlike the Dakota Access project where the benefits of the pipeline were purely indirect, the benefits of the Summit Carbon Solutions pipeline are both direct and enormous for Iowa farmers, Iowa landowners, and the entire Iowa ethanol and agriculture industry.

You all know that ethanol is under attack by forces outside our state and those that would like to see an end to liquid fuels, altogether. With over 50% of Iowa's corn crop dedicated to ethanol production it is imperative that we take all necessary steps to keep ethanol relevant for the next few decades—our project is designed for just that purpose.

Lastly, attached is the most recent letter from Summit Carbon Solutions founder Bruce Rastetter to all Iowa landowners on the proposed pipeline route. I think it is important for you to read what we are actually saying to landowners, not what others tell you we are saying to landowners.

Thank you and please let me know if you have any questions as we move forward.

PS: our team would be happy to host a meeting with legislators to discuss the project in person and in detail.

Jeffrey Boeyink

Partner

563.260.1913

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Iowa Landowners,

As we continue to have discussions with you regarding acquiring right-of-way, I wanted to take this opportunity to share with you directly why we decided to implement this project and address some of the questions we know are on your mind.

First, I have been involved in Iowa agriculture my entire life, and it's an industry that I will continue to advocate for at both the state and national level. I was raised on a 300-acre farm just south of Iowa Falls and continue to farm row crops in this area in addition to raising cattle and owning hog buildings. Out of college, I started selling feed to local producers and was fortunate to be part of growing the pork production industry, and later the ethanol industry here in Iowa. I have seen a lot of change over the years and have tried to keep an open mind and evolve with changing consumer demands and public policy, which ultimately have had a big impact on agriculture.

In my view, the ethanol industry has had an incredibly positive impact on Iowa and agriculture more broadly. When the industry was getting started in the early 2000's, the U.S. produced around 10 billion bushels of corn and that has grown to over 15 billion bushels in recent years. More importantly, from 1990 to 2000 (pre-ethanol), we were selling our corn for around \$2.50 per bushel on average, and after the build out of the ethanol industry, our average over the past decade has been closer to \$5.00 per bushel. This has driven substantial increases in farm income and land values that are 2-3 times higher than they were pre-ethanol. Today, over half of our state corn crop goes directly to the ethanol industry.

For those of you who know me, I advocate for limited government and smart policy where it's necessary. That being said, for better or worse, the government has played an outsized role in our industry. The creation of the Renewable Fuel Standard at the federal level has undoubtedly changed agriculture for the better. The government covers half the cost of our federal crop insurance, making coverage more affordable providing necessary protection from the volatility of our industry. As I look at the world around us today, it is apparent that both state and federal policy is going to be geared towards lowering the carbon footprint of all industries and favoring those that adapt – this is precisely why we created Summit Carbon Solutions. The federal government created a program called "45Q" that pays a tax credit for each ton of carbon that you capture and sequester, and a number of states have created programs that pay more for fuel that has a lower carbon footprint. The mission of Summit Carbon Solutions is simple – capture CO<sub>2</sub> from ethanol plants using proven technology to lower their carbon footprint so they can get more for their ethanol, and long term provide a competitive alternative to electric vehicles. Our view given current events is that it's going to take an "all of the above" solution to meet our energy needs. The 45Q tax credit has allowed us to provide this solution to over 30 ethanol plants that have partnered with us, without requiring them to come up with any money out of their pocket. There are significant federal subsidies given to incentivize the use of electric vehicles, and our view is we should utilize the programs provided to our industry to compete in a rapidly changing world and consumer demands. This is not meant to push any view as it relates to climate change, but I do firmly believe we should utilize government programs, as we have for decades, to evolve and remain competitive as an industry. If that happens, ethanol plants can continue to pay more for the corn you grow and that supports farmland values over the long term. I don't want to see a world where we are trying to find a home for half the corn we grow. In addition, we estimate we will pay approximately \$30



million in annual property taxes on the pipeline in Iowa. That equates to approximately \$1 million paid to each county where we operate on average each year, which as we know is desperately needed to support stretched budgets.

As it relates to the easements, my message to our team has been clear from the start: 1) offer landowners a fair value, 2) respect the land they have worked hard to own and maintain, and 3) hear their concerns and be flexible to the greatest extent possible. I also said, “let’s offer landowners an easement that I would be comfortable signing myself,” which I did on farmland that I personally own, which was recently pattern tiled, so we get the concerns around soil disturbance and tile. We are fortunate that tax law allows for the permanent easement payments we make to you be treated as an adjustment to your long-term tax basis – put simply, based on current law, you won’t owe ordinary income tax on the payment we provide to you for the permanent easement (that majority of the payment we will make to you). I know this hasn’t been perfect, but we continue to learn and respect your concerns. I can tell you that Summit Carbon will respect your farmland and tile. We will repair any tile issues you have both during construction and into the future – and if you would rather fix it yourself or use a local contractor, we will reimburse you. The pipeline will be a minimum of 4 feet to the top of the pipe so you will be able to utilize the ground long term as you do now. By working together signing voluntary easements, we can address specific pipeline placement and tile concerns you have on your property.

Carbon dioxide pipelines are not new technology, in fact over 5,000 miles have been operating safely in the U.S. for decades. With over 30,000 miles of existing oil and natural gas pipelines operating safely underneath our Iowa farmland today, we are confident that we can install ~700 miles in Iowa in a way that minimizes disturbance to your property to the greatest extent possible. And for clarity, the easement we are looking to acquire from you is “single use”, meaning nothing else can be put in that easement besides our CO<sub>2</sub> pipeline without your permission. We’re also utilizing American made products to the extent they’re available, and employing the latest technologies to ensure the pipeline is operated safely and reliably.

To those of you who have worked with us to sign hundreds of tracts in Iowa to date, we thank you. I believe this presents a tremendous opportunity for agriculture, which is important for our state and those of us who are involved in agriculture, an industry we care about.

Thanks,

A handwritten signature in black ink, appearing to read "Bruce Rastetter", is written over a light blue horizontal line.

Bruce Rastetter