

Economic Contributions of Summit Carbon Solutions in South Dakota

Summit Carbon Solutions

Summit Carbon Solution's planned pipeline project will transport carbon dioxide for sequestration across five states: Iowa, Minnesota, Nebraska, North Dakota, and South Dakota. The project will reduce the carbon footprint of ethanol production and enhance the long-term economic viability of ethanol, agricultural, and other related industries. This infographic presents the economic contributions from the project's construction and operations for the state of South Dakota. The project contributes to the South Dakota economy by employing workers, paying salaries and benefits, purchasing goods and services from local businesses, contributing to other household consumption, and paying taxes. The project's economic contributions go beyond the direct impacts, creating additional rounds of impacts, including jobs and earnings for contractors and supplier businesses (indirect impact) and at locally-supported consumer businesses where employees spend their wages (induced impacts).

\$1.9b*

Total capital expenditures from 2021–2027

Average wage of employees supported by construction

\$62,584

\$99m

Annual operating costs, 2027

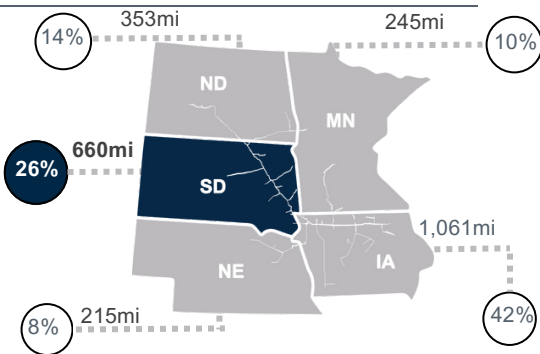
Average wage of employees supported by operation

\$89,304

660

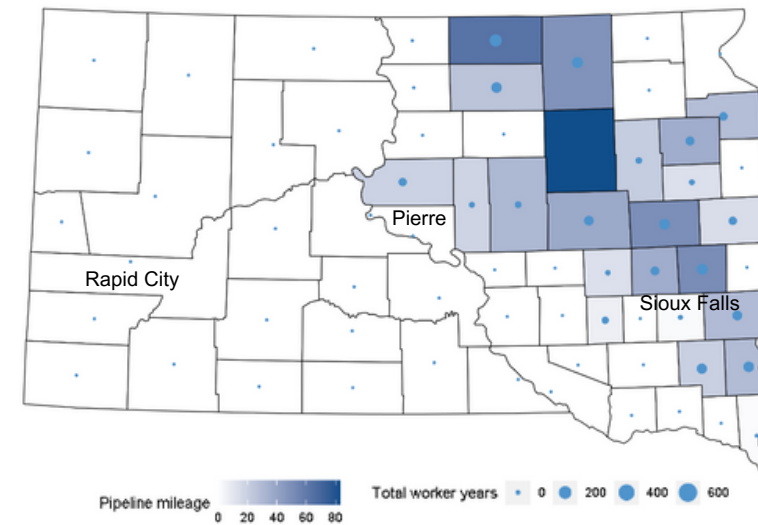
Total pipeline miles

15 Total capture facilities



Pipeline mileage and worker years contribution by county, South Dakota

Capital expenditures 2021-2027



There are **23 pipeline counties** in the state. The remaining **43 counties** in South Dakota are considered **non-pipeline counties**. Worker Years is allocated to each county based on their proportionate share of capital expenditures.

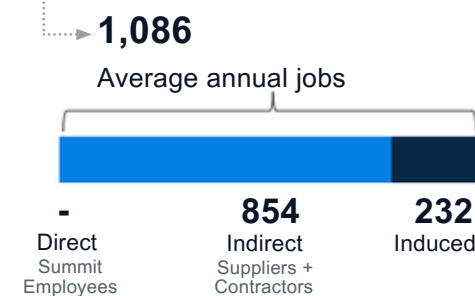
Capital expenditures

Capital expenditures in South Dakota from Summit and its contractors will support **7,602 worker years** in the state from 2021 through 2027, or **1,086 annual jobs** on average. The annual jobs include 854 supported through Summit's suppliers and contractors. Another 232 jobs are supported through induced contributions.

Economic contributions of capital expenditures

2021–2027

7,602 Total worker years** (2021-2027)

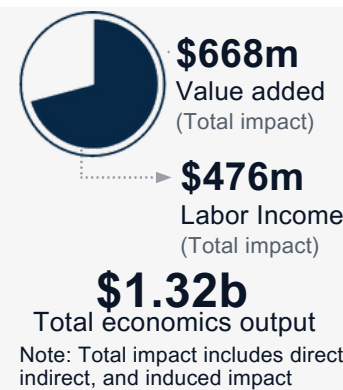


11.5

worker years are supported for every mile of pipeline constructed

4.1

worker years are supported for every million dollars of capital expenditure



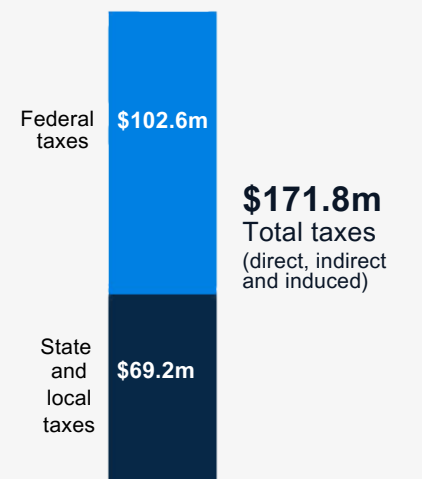
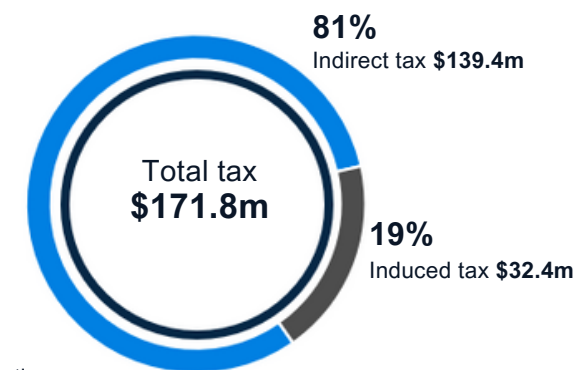
Total tax impact of capital expenditures

Federal, state and local taxes, 2027

The **primary drivers** of Summit's construction phase taxes are **South Dakota's sales tax liability** due mainly to purchases of construction materials and equipment and federal individual income tax liability.

\$171.8m

Total tax generated during construction (Direct, indirect and induced)



Operations

Summit's operations will support **260 jobs** in the state in 2027. This includes **40 direct** Summit employees and **141** supported through **Summit's suppliers and contractors**. Another **79** jobs are supported through **induced** contributions.

2.6

jobs are supported for every million dollars in operating expenditures

Economic contributions of ongoing operations

Typical operating year, 2027

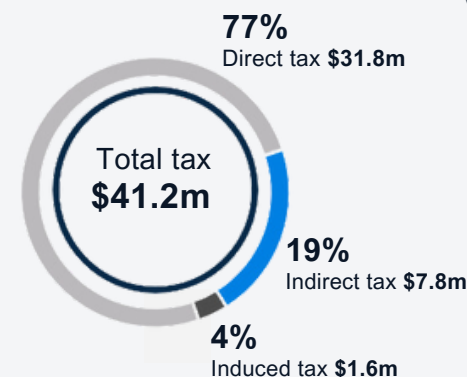
Impact (\$ in millions)	Jobs	Labor income	Value added	Economic output
Summit Employees (Direct)	40	\$8	\$52	\$144
Suppliers + Contractors (Indirect)	141	\$11	\$31	\$70
Induced	79	\$5	\$8	\$14
Total	260	\$23	\$90	\$228

Total tax impact of operations

Federal, state and local taxes, 2027

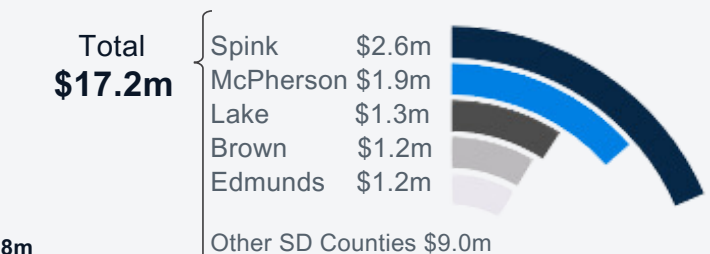
The **primary driver** of Summit's tax impact of operations is **property tax liability**, which is levied on the fair market value of property including the pipeline asset, pump stations, and carbon capture facilities.

Total tax generated during operations (Direct, indirect and induced)



Counties with largest total operations property tax impact***

(Direct Summit tax liability)



* The capital expenditures for SD are estimated to total \$1.9b, of which \$1.0b will be directly sourced to SD utilizing in-state construction labor and purchasing materials and equipment within the state. Right-of-way acquisition costs are included in the capital expenditures however the cost is not included in the economic impact analysis, as it represents a transfer rather than a new activity. These figures are subject to change.

** Worker years represent the sum of full-time workers required over the course of the seven-year construction period (2021-2027) to complete the construction of Summit Carbon Solution's project. For example, if one full-time worker is hired for three years, that worker contributes three worker years. All job estimates include direct SCS employees, as well as indirect and induced jobs.

***Property tax estimates were derived utilizing an initial year valuation focusing on the cost method for valuing the assets. Pipeline costs were allocated to each county based on miles and diameter of pipe within a jurisdiction.

Note: Numbers may not sum due to rounding. The analysis does not include the tax impacts derived from any federal or state tax credits. The economic impacts presented here are based on preliminary estimates of costs by Summit from a specific point in time and are subject to change. Thus, any revisions to the amount of capital expenditures and operating costs may produce significantly different economic impacts.

Source: Decision Innovation Solutions (DIS) and SCS estimates.