

Thank you for the opportunity to testify in support of HB 170, a pivotal piece of legislation that will leverage Ohio's unique geological advantages to drive the next generation of energy production and economic growth in the state.

As representatives of the American Carbon Alliance, we strongly support HB 170 because it enables Ohio to harness carbon capture and sequestration (CCS) technology, a game-changer for energy producers, particularly in the bioethanol sector. CCS allows ethanol producers to capture CO₂—a byproduct of ethanol production—and store it securely deep underground. Historically, this CO₂ has been sold to industries like beverage production or dry ice manufacturing. However, CCS transforms this byproduct into an opportunity to meet the rising global demand for low-carbon fuels, positioning Ohio's ethanol industry as a leader in sustainable energy markets.

The economic stakes are significant. Ohio's ethanol industry supports over 23,000 jobs and contributes approximately \$2.3 billion annually to the state's economy, according to the Ohio Corn & Wheat Growers Association. By enabling CCS, HB 170 will strengthen this sector by allowing ethanol producers to compete in high-value markets for low-carbon fuels, such as sustainable aviation fuel (SAF) and lower-carbon gasoline blends. For example, SAF production, which relies on low-carbon feedstocks and CCS, can add up to \$2 per gallon in value to ethanol—translating to nearly \$6 per bushel of corn. With Ohio's 7 ethanol plants processing roughly 200 million bushels of corn annually, this could generate an additional \$1.2 billion in economic value for the state's agricultural sector.

HB 170 establishes a regulatory framework for Ohio to pursue Class VI primacy, streamlining the permitting process for CO₂ injection wells and reducing reliance on the U.S. EPA's lengthy and unpredictable review process. Currently, the EPA has 164 CO₂ injection well applications pending nationwide, with many facing significant delays. These delays hinder capital-intensive CCS projects that could create jobs and stimulate rural economies. By securing primacy, Ohio can expedite project approvals, fostering investment in CCS infrastructure and ensuring that ethanol producers and corn farmers reap the economic benefits sooner.

Ohio's geology is uniquely suited for CCS, with many ethanol plants located near ideal sequestration sites. This proximity reduces transportation costs and enhances project feasibility. The benefits extend beyond ethanol producers to Ohio's corn farmers, who face projected farm income declines of 15% in 2025, according to USDA forecasts. CCS-driven demand for low-carbon ethanol creates new markets for corn, stabilizing grain prices and supporting rural communities. For instance, a single ethanol plant adopting CCS can increase local corn demand by 10-15%, boosting farm revenues by millions annually in surrounding counties. Moreover, CCS adds at least \$1.00 per bushel of corn, and with Ohio producing an average of 600 million bushels annually, the economic impact is over \$600 million a year.

Moreover, CCS projects stimulate broader economic activity. Construction of CCS infrastructure is expected to create hundreds of high-paying jobs in engineering, geology, and pipeline development. A 2023 study by the Dakota Institute estimated that similar CCS pipeline projects could generate billions in revenue and increase agricultural output by 18% over a decade. In

Ohio, these projects will drive demand for local goods and services, from hotels to equipment suppliers, further amplifying economic impacts.

The global shift toward low-carbon fuels is accelerating, with countries and companies worldwide increasing SAF usage and prioritizing decarbonized energy. HB 170 positions Ohio to capitalize on this trend, ensuring that our ethanol producers and corn farmers remain competitive in a rapidly evolving energy landscape. By reducing the carbon intensity of ethanol, CCS opens access to premium markets like California's Low Carbon Fuel Standard, where credits can add \$0.50-\$1.00 per gallon to ethanol's value.

We commend Representatives Robb-Blasdel and Peterson for their leadership in introducing HB 170 and engaging stakeholders to maximize its benefits for Ohioans. The American Carbon Alliance stands ready to support this effort, ensuring that CCS projects deliver economic prosperity, environmental progress, and energy security for Ohio.