

# Economic Contributions of Summit Carbon Solutions in Minnesota

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 Minnesota. The project contributes to the Minnesota 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).

**\$573.9m\***

Total capital expenditures from 2021-2027

Average wage of employees supported by construction

**\$56,612**

**\$33.9m\***

Annual operating costs, 2027

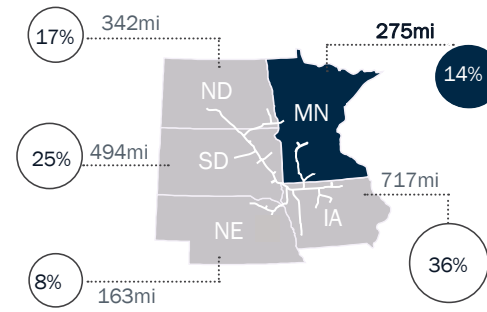
Average wage of employees supported by operation

**\$97,722**

**275**

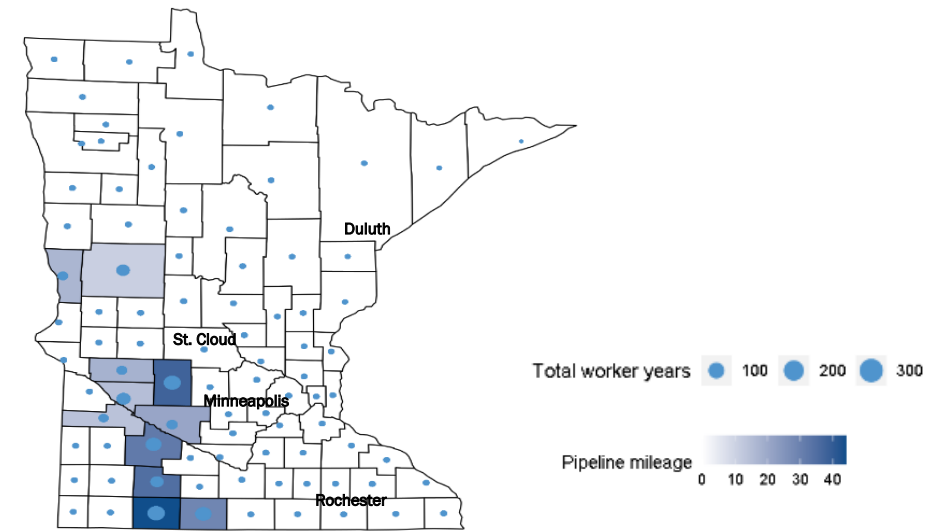
Total pipeline miles

**7** Total capture facilities



## Pipeline mileage and worker years contribution by county, Minnesota

Capital expenditures 2021-2027



There are **9 pipeline counties** in the state. The remaining **78 counties** in Minnesota are considered **non-pipeline counties**. **62%** of the **total gross output** due to capital expenditures come from the **pipeline counties**, and the remaining **38%** comes from **non-pipeline counties** due to secondary economic (indirect and induced) impacts.

## Capital expenditures

Capital expenditures in Minnesota from Summit and its contractors will support **3,504 worker years** in the state from 2021 through 2027, or **618 annual jobs** on average. The annual jobs include 482 jobs supported through Summit's suppliers and contractors. Another 136 jobs are supported through induced contributions.

## Economic contributions of capital expenditures

2021-2027

**3,504** Total worker years\*\* (2021-2027)

**618** Average annual jobs

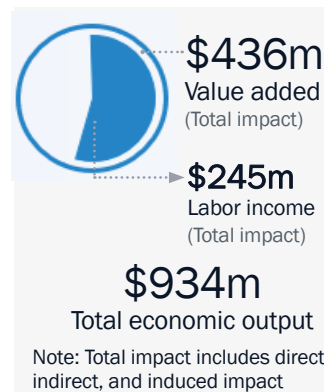


**12.7**

worker years are supported for every mile of pipeline constructed

**6.1**

worker years are supported for every million dollars of capital expenditure



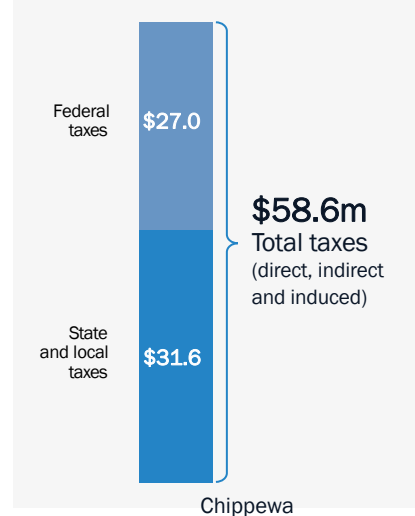
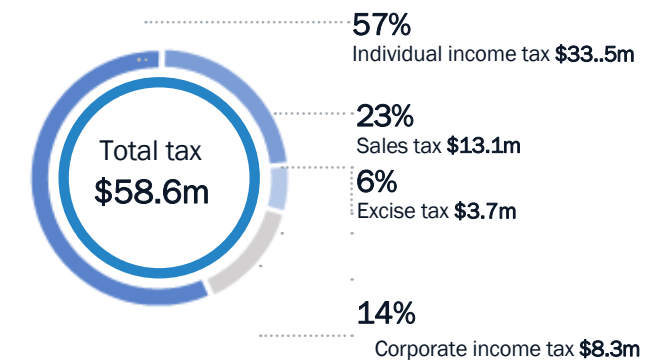
## Total tax impact of capital expenditures

Federal, state and local taxes, 2021-2027

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

**\$13.1m**

Total sales tax liability (Direct, indirect and induced)



## Operations

Summit's operations will support **158 jobs** in the state in 2027. This includes **22 direct** Summit employees and **85** supported through **Summit's suppliers and contractors**. Another **52** jobs are supported through **induced** contributions.

**4.7**

jobs are supported for every million dollars in operations

## Economic contributions of ongoing operations

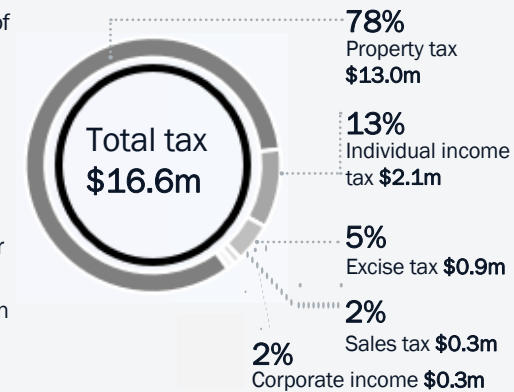
Typical operating year, 2027

Impact (\$ in millions)	Jobs	Labor income	Value added	Economic output
Summit Employees (Direct)	22	\$4	\$6	\$10
Suppliers + Contractors (Indirect)	85	\$8	\$20	\$51
Induced	52	\$3	\$5	\$9
<b>Total</b>	<b>158</b>	<b>\$15</b>	<b>\$31</b>	<b>\$69</b>

## Total tax impact of operations

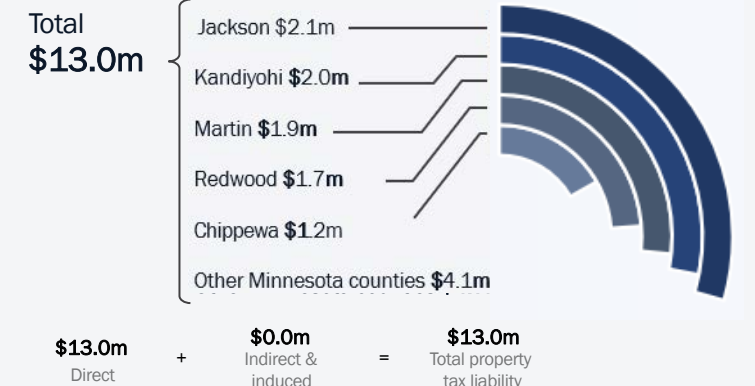
Federal, state and local taxes, 2027

The **primary driver** of Summit's taxes on operations is **property tax liability**, which is levied on gross property, plant, and equipment costs for pipeline and pump stations, and carbon capture facilities.



## Counties with largest total operations property tax impact

(Direct Summit tax liability)



\* The capital expenditures provided by Summit for Minnesota exceeds \$573 million. However, right-of-way acquisition costs and damages are not included in the analysis. The operating expense provided by Summit for Minnesota for 2027 totals \$52 million. \$17 million in taxes and \$1 million in insurance costs are not included. The excluded categories represent a transfer rather than new economic activity.

\*\* 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 pipeline project. For example, if one full-time worker is hired for three years, that worker contributes three worker years.

Note: Numbers may not sum due to rounding. Total tax impacts from construction expenditures as well as operations include direct, indirect, and induced impacts. The analysis does not include the tax impacts derived from Section 45Q (federal tax credit for CO2 sequestration). The economic impacts presented here are based on preliminary estimates of costs by Summit from a specific point in time. Thus, any revisions to the amount of capital expenditures and operating costs may produce significantly different economic impacts.

Source: Ernst & Young, LLP.