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Midwest Carbon Pipelines' True Cost to Taxpayers: A Food & Water Watch Analysis

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Seemingly overnight, the Midwest became a battleground in the fight over the future of carbon capture. As of March 2022, three companies are planning carbon capture projects at ethanol plants, including the construction of thousands of miles of carbon dioxide pipelines for the region.

The Summit Agricultural Group's Summit Carbon Solutions is behind the Midwest Carbon Express, the first carbon pipeline proposed for the Midwest. The pipeline would connect 31 polluting ethanol facilities from Iowa to North Dakota, building 2,000 miles of hazardous carbon dioxide pipeline across the region. Seven hundred miles of the Summit Carbon Solutions pipeline would be in Iowa, crossing through 30 of the state's 99 counties, and passing through 15,000 parcels of private and public property. Summit is the first project to move through the public process, requiring permits from the Iowa Utilities Board to proceed.¹

Texas-based Navigator CO2 Ventures also plans a pipeline they're calling the Heartland Greenway System. The pipeline would run 1,300 miles from South Dakota to Illinois, including 900 miles of pipeline in Iowa. The pipeline would run through more than a third of Iowa's counties, crossing 36 counties under the company's current plans.²

Wolf Carbon Solutions and Archer-Daniels-Midland (ADM) are behind the third hazardous carbon dioxide pipeline proposed for the region. Their proposal would run 350 miles from Iowa to Illinois.³

On the Backs of Taxpayers

Carbon capture schemes and the dangerous pipelines that feed them are propped up by public funding, while leaving local communities to deal with the damages. Through an analysis of federal tax credits, appropriations, loan guarantees and direct funding, Food & Water Watch identified tens of billions of dollars earmarked for carbon capture projects over the next decade. The three carbon capture and pipeline projects proposed for the Midwest alone could cost taxpayers in excess of \$20 billion.

Specific costs borne by taxpayers include:

- A single federal tax credit called Section 45Q could funnel almost \$2 billion a year to Summit, Navigator and Wolf/ADM to capture carbon from ethanol facilities to feed their pipeline projects. Over the 12 years that the projects are eligible to profit from the Section 45Q credit, the companies could make \$23 billion.⁴
- In the past year alone, legislators approved a record \$12.2 billion in federal appropriations to finance carbon capture projects.⁵
- Since 2010, the federal government has poured more than \$8 billion into carbon capture projects via direct funding and tax credits, to lackluster results. Most failed.⁶

In addition, local communities will be responsible for footing the bill to prepare for and respond to damages from pipeline construction and operation, including costs associated with local oversight and farmland remediation. They will need to train and equip first responders to respond to the life-threatening emergencies that these pipelines may cause — and in the event of a rupture, medical bills would add to the mounting cost tally. Communities will also be burdened with road closures, heavy truck traffic and dust and debris that pipeline construction brings.

Federal policies and taxpayer dollars are driving the predatory growth of carbon pipeline proposals in the Midwest. Food & Water Watch is fighting from the local to federal level to stop the flow of public money toward this false climate solution, and to stop the construction of dangerous carbon pipelines.

Endnotes

¹ Payne, Kate. "Proposed carbon dioxide pipeline draws opposition from Iowa farmers and environmentalists alike." *Iowa Public Radio*. October 13, 2021; Summit Carbon Solutions. Iowa Utilities Board (IUB). Petition for Hazardous Liquid Pipeline Permit. Docket No. HLP-2021-0001, Exhibit F. January 28, 2022 at 1; Eller, Donnelle. "What we know about two carbon capture pipelines proposed in Iowa." *Des Moines Register*. November 28, 2021.

² Eller, Donnelle. "What we know about two carbon capture pipelines proposed in Iowa." *Des Moines Register*. November 28, 2021.

³ Eller, Donnelle. "ADM proposes an Iowa carbon-capture pipeline, bringing state's total to three." *Des Moines Register*. January 11, 2022.

⁴ Clayton, Chris. "Pipelines seek to hit net-zero ethanol." *DTN Progressive Farmer*. August 24, 2021.

⁵ Kusnetz, Nicholas. "Carbon capture takes center stage, but is its promise an illusion?" *Inside Climate News*. March 9, 2022.

⁶ Schuppe, Jon. "A growing battle over carbon capture and climate change riles Iowa." *NBC*. March 19, 2022; Congressional Research Service (CRS). "Carbon Capture and Sequestration (CCS) in the United States." R44902. October 2021 at 1; George, J. Russell. Department of the Treasury. Letter to Senator Robert Menendez. April 15, 2020 at 2. Available at https://legacy-assets.eenews.net/open_files/assets/2020/04/30/document_gw_07.pdf; Government Accountability Office (GAO). "Carbon Capture and Storage: Actions Needed to Improve DOE Management of Demonstration Projects." GAO-22-105111. December 2021 at 7.