

EXHIBIT

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**DECLARATION OF ALEC ROBERTS IN SUPPORT OF
DAKOTA ACCESS, LLC'S APPLICATION FOR PARTY STATUS**

1. My name is Alec Roberts. I am currently the Senior Manager at Energy Transfer LP with commercial responsibility for pipelines operating in the eastern United States, including the Dakota Access Pipeline (“DAPL”).

2. I hold a B.A. in finance from Valparaiso University. I have been working in the oil and gas industry for major public companies for more than 11 years. In my current role, I have intimate knowledge of DAPL, and the important role that it plays in the delivery of crude oil from the Bakken formation in North Dakota.

3. This declaration supports Dakota Access’ Petition to Intervene in proceedings related to SCS Carbon Transport, LLC’s (“Summit”) proposed carbon dioxide transmission pipeline (the “CO₂ Pipeline”). I understand that Mr. Mike Futch is also submitting a declaration in this proceeding, and that his declaration will address issues relating to pipeline crossings generally. As discussed by Mr. Futch, if not adequately evaluated for technical feasibility and safety, pipeline crossings may create a risk of safety issues and reliability-related outages.

4. The purpose of this declaration is to provide an overview of DAPL, to describe the importance of DAPL to the United States generally and to South Dakota and the Midwest more specifically, and to describe the harm that would result in the event that just one of the CO₂ Pipeline’s proposed crossings resulted in damage to DAPL resulting in an avoidable outage or curtailment of service.

5. **DAPL Overview.** DAPL is an approximately 1,200-mile common-carrier crude oil pipeline that originates near Stanley, North Dakota, and terminates at a crude oil terminal in Pakota, Illinois (the “Pakota Hub”). At the Pakota Hub, DAPL connects to the Energy Transfer Crude Oil Pipeline (“ETCOP”), allowing crude oil to be transported to two crude oil distribution terminals in Nederland, Texas. DAPL, with its connectivity to ETCOP, is the only pipeline

system that provides direct transportation service from the Bakken to the Gulf Coast refinery region.

6. DAPL provides the largest and most efficient method of transportation for crude oil being produced in the Bakken region. It currently transports approximately 5% of all U.S. production, accounting for 55% of Bakken-produced crude. This transportation service has significant direct and indirect economic impacts on the country, state, and region, and greatly benefits the South Dakota agricultural industry, as discussed below. DAPL is, by far, the largest transporter of crude oil from the Bakken.

7. For example, DAPL is strategically important to the country's energy grid and energy independence. DAPL must operate consistently, safely, and reliably to deliver these important benefits; there is no other pipeline comparable to DAPL, nor is there any other reasonable alternative that is capable of providing the same low-cost, high-reliability service, in the event of an avoidable outage or curtailment of service on DAPL.

8. DAPL, with its connectivity to ETCOP, is one of only a few pipeline systems that can supply oil to the United States Strategic Petroleum Reserve, a critical component to U.S. national security. Moreover, DAPL is connected to 74.6% of refining capacity in Petroleum Administration for Defense Districts ("PADD") 2 and PADD 3 and 57.8% of total U.S. refining capacity, through direct and indirect interconnects. The refineries accessed by DAPL produce petroleum products like gasoline, heating oil, and the pre-cursor petrochemicals used in the medical and consumer product industries throughout the United States.

9. The Gulf Coast areas that DAPL is directly or indirectly connected to have an aggregate refinery capacity of some 7.88 million bpd, comprising approximately 90% of the total Gulf Coast refining capacity of more than 8.78 million bpd. This Gulf Coast refining capacity

constitutes approximately 48% of total U.S. refining capacity. Interruption of flows on DAPL to those refineries could have significant negative economic and national security impacts.

10. In short, DAPL is the *only* pipeline that provides direct transportation service from the Bakken region to the major oil hub in Pankota, and also provides the most direct route for Bakken production to the Gulf Coast. It has been, and remains to this day, a critical supply element of the United States' oil pipeline network, in part due to its unique location, its large capacity, and its reliable and safe service. Because it transports a large amount of this country's oil, supplies critical refineries, and provides a number of national security benefits, DAPL's continued and uninterrupted operation is important to not only South Dakota but also the entire United States.

11. **The Impacts of an Avoidable DAPL Outage or Curtailment.** If DAPL were to suffer an avoidable outage or curtailment of service due to an avoidable line strike during construction of the CO₂ Pipeline, the negative impacts could be felt throughout the country.

12. Although the impacts of an avoidable outage or curtailment could be felt nationally, there would also be significant specific impacts to South Dakota. For example, much of the crude oil currently shipping on DAPL would likely shift back to the Midwest rail system, displacing agricultural products currently utilizing that rail capacity, including agricultural products originating in or traveling to South Dakota. Since being placed in service in 2017, DAPL has replaced rail as the primary means of transport for crude oil in the region. This has relieved rail network pressure and bottlenecks once caused by crude oil rail tankers and the associated rail network costs that were often on terms that were cost prohibitive to South Dakota farmers. Put differently, there is only so much rail transport capacity available in the state—so, when that

transportation capacity is no longer constrained by oil transport, South Dakota farmers find it more cost effective to get their products to market.

13. The economic impacts associated with increased crude transportation by rail can be calculated based upon actual experience from the period just before DAPL went into service. And those impacts are significant. A detailed analysis prepared by Elaine Kub, an agricultural economist (*see* Attachment A, referred to hereafter as the “Ag Transportation Report”), quantified the significant potential losses to South Dakota’s agricultural industry.

14. More specifically, the Ag Transportation Report evaluated historical data to identify the impact that competition with oil transportation can have on the cost of transporting agricultural products. In 2013 and 2014, before DAPL began operations, Bakken’s oil output that has more recently flowed on DAPL instead flowed on Midwestern rail routes. The Ag Transportation Report considers data from multiple sources and time frames and estimates that *annual* losses to South Dakota’s agricultural industry *alone* could be as much as \$300 million. *See* Ag Transportation Report at 6. This includes roughly \$160 million in *annual* losses to South Dakota’s grain producers (who ship nearly 50% of their product on the Midwest rail system) and roughly \$130 million in *annual* losses to South Dakota’s ethanol industry.

15. The harms associated with an avoidable outage or curtailment of service extend beyond the agricultural industry. A significant number of third parties depend on DAPL’s continued operation, and an avoidable DAPL outage or curtailment would also have immediate negative effects to the upstream and downstream entities that rely on DAPL’s transportation services (many of which have made significant investments that depend on DAPL being in service uninterrupted for decades to come). For example, interruptions to DAPL service would have a massive, disruptive economic impact on companies such as trucking, oil field services and other

support industries and their employees, many of whom have connections to South Dakota. This is not to mention employees at refineries and related facilities and end users who depend on plentiful and economical fuel and the numerous industrial, medical, and consumer goods produced from petroleum-refined products. These latter groups include essentially the entire United States.

16. Finally, South Dakota (and other states) would also lose many streams of tax revenue from DAPL and related businesses if DAPL were to undergo an outage. Significant amounts of tax revenue would no longer be generated in all of the states that DAPL operates, including South Dakota. In 2023, the property taxes attributable to DAPL in the states DAPL passes through were nearly \$38 million, including more than \$5 million in property taxes to South Dakota, approximately \$26 million in property taxes payable to Iowa, \$6 million to North Dakota, and smaller amounts payable in Illinois.

17. In many South Dakota counties, these property taxes represent a significant portion of the tax base. DAPL has paid over \$33 million in ad valorem taxes to the thirteen South Dakota counties it traverses, with additional tax revenue to be paid in the future.¹ These tax dollars have been faithfully invested by the counties to support, amongst other things, school districts, townships, fire districts, roadway and bridge maintenance, and essential county services such as ambulances, sheriff service officers, emergency dispatchers, and much needed equipment for emergency and fire response. In fact, the South Dakota Department of Revenue has indicated that such property taxes are “the main source of revenue for local governments in South Dakota”


¹ The tax benefits quantified herein also do not account for economic benefits that accrued during DAPL’s construction phase, or that will accrue during additional future construction and maintenance projects. Large construction projects, like DAPL, can provide hundreds or even thousands of jobs, resulting in additional state income tax revenue, and these sorts of projects generate significant local economic activity because construction workers typically live in and around, and spend their money in, the communities where the project is being built.

and help fund “over 50% of the school general fund expenditures for K-12 education.”² The economic effects of a DAPL outage or curtailment, even temporarily, would be far-reaching and would have significant impacts across many different sectors of the South Dakota economy.

18. Reliable production take-away capacity and refinery supply capacity enhances the efficiency of the transportation network across South Dakota and the nation.

19. In short, because DAPL is a critical, common-carrier transportation provider, outages of any duration on DAPL would broadly affect local, state, and national economies; labor markets; and tax revenues across the Midwest region as a whole. As explained earlier, DAPL directly affects an enormous number of jobs and therefore has a significant impact on tax revenue and economic activity throughout the region. In the event of an avoidable outage or curtailment of service, oil producers would have to look for alternative transportation options, all of which are more expensive, have insufficient capacity in the aggregate, and often do not go directly to the key hubs or markets that producers use. These effects would then result in cascading losses and damages to South Dakota’s agricultural industry and more. Dakota Access’s Petition in this proceeding, and specifically Mr. Futch’s declaration, addresses the conditions required to minimize the risk of these harms occurring.

Executed: November 22, 2024



Alec Roberts

² See, e.g., South Dakota Department of Revenue Property Tax Statistical Report for Fiscal Year 2022 (available at <https://dor.sd.gov/media/id31uaoe/ptstatsreport2022.pdf>).