

GP Turnkey Tharaldson LLC

3549 153<sup>rd</sup> Ave. SE  
Casselton ND, 58012

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April 30, 2024

North Dakota Industrial Commission  
State Capitol, 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

Subject: Renewable Energy Program Status Report

Dear Ms. Stieg:

Please accept the Final Status report for the GP Turnkey Tharaldson, LLC project. We have made significant progress, most of the construction has been completed for this project. The projected construction completion is expected to be here in May 2024. I have included the data in the report form and there is a list of all the expenses.

If you have any questions, please let me know.

Thanks,



Corey Aanenson  
EH&S Manager  
Tharaldson Ethanol  
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Tharaldson | Ethanol



## North Dakota Renewable Energy Program Final Status Report

### FINAL REPORT – EXECUTIVE SUMMARY

Recipient: GP Turnkey Tharaldson LLC  
Contract Number: R-049-062  
Report for time period of: 2/1/22 – 5/1/24  
Total Project Cost: \$89 million

#### Description of Project

The project entails the integration of the innovative turnkey solution of Fluid Quip Technologies' MSCTM protein technology to produce a high purity protein product that trades in the alternative high-value protein market. The new technology is not presently used in the ethanol production process in North Dakota and is designed to improve flexibility and profitability by producing higher-value proteins (50% or greater) and corn oil in a sustainable manner. The project has a high potential to affect the broader North Dakota renewable energy industry by helping to establish a proven and marketable new technology option with co-products, as well as preserving and creating renewable energy jobs both to support the operations of the facility along with local services that will be used to assist GP Turnkey Tharaldson. The growth in coproducts production will increase the need for corn feedstock from local agricultural producers. Agricultural producers will have more access to coproducts like dried distillers' grains and corn oil for livestock feed, provided by MSCTM process. The integration of this system will maximize the market potential for renewable energy resources, materials and products, and the associated byproducts.

#### Project Tasks

To this point of the project there has been a lot of engineering, designing, and ordering of all the equipment, almost all of the construction and concrete completed. There has been a good effort to getting competitive bids for the ordering of equipment and what companies will be awarded to complete the work. The buildings and equipment have been installed and there are final touches, that are still being completed.

#### Single page Project summary describing the purpose of the project.

GP Turnkey Tharaldson's MSCTM High Protein project at the Casselton ethanol facility will produce higher-value proteins (at 50%-60% protein or greater) and 20% increase in corn oil yield in a sustainable manner. The purpose of the MSCTM process is to generate a high-grade protein product from whole stillage in a sustainable manner that will trade at a value substantially higher than DDGS. The main deliverables of the MSCTM High Protein project include construction/installation, commissioning, start-up, and continued operation.

The first set of objectives in the project is to construct and install the MSCTM High Protein system. Integration of the MSCTM High Protein system will include construction of new buildings and installation of equipment to be added to the existing ethanol plant located in Casselton, ND. Once the installation is complete, GP Turnkey Tharaldson's team will collect data from the commissioning of the MSCTM system. The GP Turnkey Tharaldson Lab Representative will be analyzing the data for the project report and reporting information to the management team. The data collection will allow the management team to analyze the production process to ensure the objectives of the project are being met.

The second set of objectives includes start-up and continued operations. The GP Turnkey Tharaldson's team will collect data from the start-up to ensure objectives are being met and will continue to collect data on continued operations to ensure deliverables are met while looking for efficiency opportunities. The deliverables of the project to determine start-up and operational success include the following targeted production goals.

- Production of high-value protein (52% protein increasing to 60% or greater)
- New DDGS stream will have pro-fat close to 28%
- generate a nominal rate of 3.5 lb/bu of protein product at 7-8% moisture
- more corn oil to be recovered from previous yield of 0.80 lb/bu to 1.10 lb/bu provided down streams system (i.e. syrup oil decanter) can fully capture the additional free oil generated with the MSCTM system.
- 10% plant throughput gain
- produce 105,000 tons at capacity
- Production to run 355 days per year

The MSCTM High Protein system will bring new technology to North Dakota Ethanol Industry, bring higher-protein feed into the market, increase need for corn feedstock from local corn growers, and create renewable energy jobs for the area. The MSCTM system will provide innovation and efficiency and have the potential for replication at other ethanol production facilities in North Dakota by establishing a proven and marketable new technology option. This will bring opportunity for growth with other renewable energy developers to implement the MSCTM system and gain flexibility and profitability as the developers are propelled into the new technology to set the stage for future innovations. This will increase the potential for new jobs in the state's renewable energy industry. A total of 15 new jobs will be created due to the MSCTM High Protein Project operations. We estimate that one manager will be added that will have a salary of \$100,000, one maintenance employee that is around \$30 hourly, and thirteen operators around \$25-\$33 hourly. The construction of the new project will utilize local contractors for the build and local services for contractors and vendors. One-hundred and twenty construction contract employees will be utilized for the build of the project.

The MSCTM High Protein Project will also provide short-term and long-term benefits to the landowners, agriculture producers, and the counties in North Dakota. The growth in coproducts production will increase the need for corn feedstock from local agricultural producers. Tharaldson Ethanol provides a much-needed local market for area corn growers, requiring about 54 million bushels of corn annually for target DDGS production. Local agricultural producers will have more access to coproducts like dried distillers' grains and corn oil for livestock feed, provided by MSCTM process. The project has potential to affect the broader North Dakota renewable energy industry by helping to establish a proven and marketable new technology option, as well as preserving and creating renewable energy jobs, wealth, and tax revenue.

#### Any plans for developing or putting to commercial use the results of the project

This project will be going into commercial phase once the project is up and running. The High Protein DDGS animal feed will be sold by truck and or rail to deliver the final product once the facility is running. The timeline did get pushed back because of equipment delays and very long lead times.

#### Report on Production Goals

Currently the facility is still about done with construction with hopes to be operating by May 2024. The production goals remain the same as stated.

#### Deliverables

As of now, all the deliverables are documents and design/engineering packages of information is completed and most of the equipment has been installed and ready for operation. There is some to finish up yet and usually some during the whole phase of construction. Civil work has been started and usually some during the whole phase of construction. Most Concrete has been put in. Most of the equipment has been ordered, delivered and installed. Currently jobs have been created for the engineering, designing, construction phase and operation. There are roughly 120 jobs at the peak phase of construction.

#### Summary fiscal accounting of the entire project Total cost of the project

The GP Turnkey Tharaldson project is looking to be a 100 million dollar project with a startup of the facility in May 2024. Thus far 91 million dollars have been spent towards the project costs.

#### Benefits of the Project to ND:

This project poses many benefits to the state of North Dakota that are to be considered. During the build of the project when under construction there will be new contractor employees to the state. They will be finding temporary living during the build to help during the construction phase. There is also local contractor that will be utilized during the construction phase. Now that the project is getting close to being completed there will be about 10 new employees hired to operate the facility once construction has been completed. There will also be contractors hired once the facility is running to help with services of the facility.

The new facility will be adding sustainability to the ethanol facility and to the surrounding existing local contractors. New co-product will be produced of High Protein DDGS feed to feed the local animal market and out of state markets. This new business to the state will also create added taxes.

#### Expenditures

Attached is a breakdown of expenditures. Include all sources of match. Provide supporting documentation as a separate attachment.

Please Review Attachment A



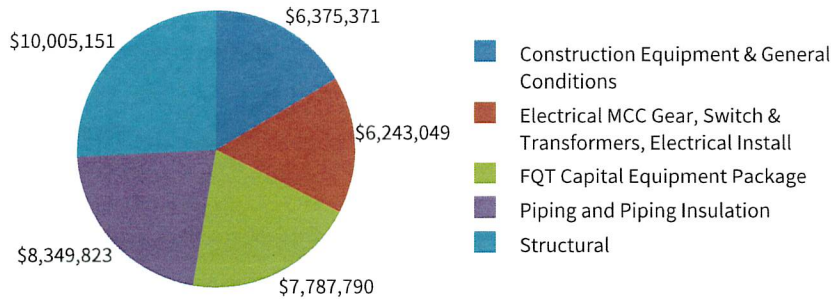
# Logo Not Available

**Project Name** GP Tharaldson JV MSC  
**Project Code** 22-914  
**Project Manager** Jordan Dreyer  
**Percent Complete** 79.20 %

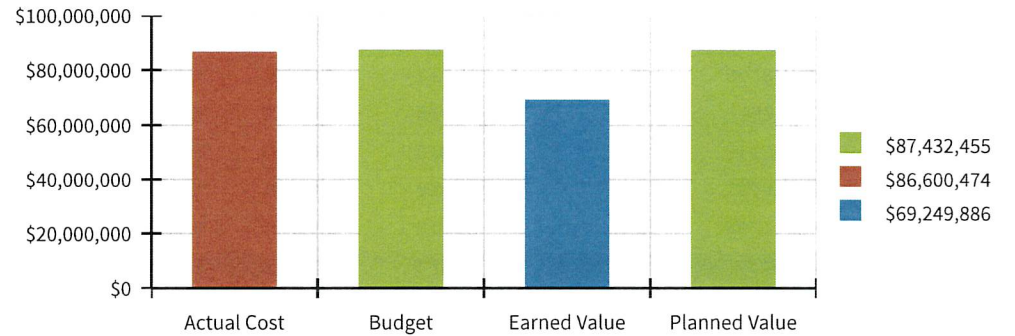
**Start Date** 2022-Jun-01  
**Finish Date** 2023-Oct-31  
**Location**  
**Measurement Date** 2024-Apr-30

## Project Summary Report

### Top 5 Tasks



### Performance Summary



Workpackage	Cost Code	Budget	Actual Cost	% Complete	% Spent	Cost Variance	Estimate To Complete	Estimate At Complete	SPI	CPI
<b>GP Tharaldson JV MSC - Owner Budget</b>	<b>1</b>	<b>\$86,961,775</b>	<b>\$85,993,811</b>	<b>79.09 %</b>	<b>98.89 %</b>	<b>-25.03 %</b>	<b>\$18,182,569</b>	<b>\$104,176,380</b>	<b>0.79</b>	<b>0.80</b>
<b>Owner / GC Scope</b>	<b>1.1</b>	<b>\$49,379,275</b>	<b>\$51,091,243</b>	<b>72.09 %</b>	<b>103.47 %</b>	<b>-43.52 %</b>	<b>\$13,780,757</b>	<b>\$64,872,000</b>	<b>0.72</b>	<b>0.70</b>
Construction Equipment & General Conditions	01	\$3,754,280	\$6,375,371	100.00 %	169.82 %	-69.82 %	\$0	\$6,375,371	1.00	0.59
Soil Corrections	03	\$930,000	\$1,504,799	100.00 %	161.81 %	-61.81 %	\$0	\$1,504,799	1.00	0.62
Civil, Site Drainage & Site Utilities	04	\$3,074,901	\$4,389,345	100.00 %	142.75 %	-42.75 %	\$0	\$4,389,345	1.00	0.70
Foundations	05	\$2,446,382	\$3,422,038	100.00 %	139.88 %	-39.88 %	\$0	\$3,422,038	1.00	0.71
Structural	06	\$8,509,098	\$10,005,151	100.00 %	117.58 %	-17.58 %	\$0	\$10,005,151	1.00	0.85
Masonry (MSC MCC Room)	07	\$125,513	\$428,305	100.00 %	341.24 %	-241.24 %	\$0	\$428,305	1.00	0.29
Building Envelope (includes IMP Siding)	08	\$1,815,708	\$1,915,440	100.00 %	105.49 %	-5.49 %	\$0	\$1,915,440	1.00	0.95
Control Room (MSC)	09	\$99,706	\$655,236	100.00 %	657.17 %	-557.17 %	\$0	\$655,236	1.00	0.15
Painting/Coating (Teflon Coated Blowline Elbows)	10	\$484,080	\$7,300	1.51 %	1.51 %	0.13 %	\$476,770	\$484,070	0.02	1.00
HVAC, Duct, Aspiration, Chutes, Duct Insulation	11	\$2,127,166	\$530,689	24.95 %	24.95 %	0.01 %	\$1,596,438	\$2,127,127	0.25	1.00
Piping and Piping Insulation	12	\$4,798,622	\$8,349,823	100.00 %	174.00 %	-74.00 %	\$0	\$8,349,823	1.00	0.57



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<b>Project Name</b>	<b>GP Tharaldson JV MSC</b>	<b>Start Date</b>	<b>2022-Jun-01</b>
<b>Project Code</b>	<b>22-914</b>	<b>Finish Date</b>	<b>2023-Oct-31</b>
<b>Project Manager</b>	<b>Jordan Dreyer</b>	<b>Location</b>	
<b>Percent Complete</b>	<b>79.20 %</b>	<b>Measurement Date</b>	<b>2024-Apr-30</b>

Workpackage	Cost Code	Budget	Actual Cost	% Complete	% Spent	Cost Variance	Estimate To Complete	Estimate At Complete	SPI	CPI
Exterior Pipe Rack and Insulation	13	\$2,642,553	\$46,160	1.75 %	1.75 %	0.18 %	\$2,596,308	\$2,642,468	0.02	1.00
Specialty Item Installation	14	\$201,025	\$0	0.00 %	0.00 %	0.00 %	\$201,025	\$201,025	0.00	0.00
Equipment Installation	15	\$1,095,050	\$3,390,693	100.00 %	309.64 %	-209.64 %	\$0	\$3,390,693	1.00	0.32
Insulation - Equipment	16	\$1,146,213	\$0	0.00 %	0.00 %	0.00 %	\$1,146,213	\$1,146,213	0.00	0.00
Electrical MCC Gear, Switch & Transformers, Electrical Install	17	\$7,403,712	\$6,243,049	84.32 %	84.32 %	0.00 %	\$1,160,902	\$7,403,951	0.84	1.00
Instrumentation Installation	18	\$1,750,548	\$900,263	51.43 %	51.43 %	0.00 %	\$850,241	\$1,750,504	0.51	1.00
IO Cabinet & Hardware (No Programming)	19	\$1,512,167	\$1,151,227	76.13 %	76.13 %	0.00 %	\$360,954	\$1,512,181	0.76	1.00
GC Construction Management Fee	20	\$2,537,553	\$0	0.00 %	0.00 %	0.00 %	\$2,537,553	\$2,537,553	0.00	0.00
Owner Contingency	21	\$2,650,000	\$0	0.00 %	0.00 %	0.00 %	\$2,650,000	\$2,650,000	0.00	0.00
Owner Freight	22	\$275,000	\$70,651	25.69 %	25.69 %	0.00 %	\$204,353	\$275,003	0.26	1.00
Area 33 Work	1.1.23	\$0	\$1,705,702	0.00 %	0.00 %	0.00 %	\$0	\$1,705,702	0.00	0.00
MOC 007 MSC Vent Fan Exhaust Reroute	1.1.42	\$0	\$0	0.00 %	0.00 %	0.00 %	\$0	\$0	0.00	0.00
<b>FQT MSC Package</b>	<b>1.2</b>	<b>\$37,582,500</b>	<b>\$34,902,568</b>	<b>88.29 %</b>	<b>92.87 %</b>	<b>-5.19 %</b>	<b>\$4,401,812</b>	<b>\$39,304,380</b>	<b>0.88</b>	<b>0.95</b>
Ancillary Equipment Package	1.2.01	\$4,371,785	\$4,371,785	100.00 %	100.00 %	0.00 %	\$0	\$4,371,785	1.00	1.00
Alfa Laval Package	1.2.02	\$3,249,890	\$3,249,890	100.00 %	100.00 %	0.00 %	\$0	\$3,249,890	1.00	1.00
Dedert Package	1.2.03	\$4,791,012	\$4,791,012	100.00 %	100.00 %	0.00 %	\$0	\$4,791,012	1.00	1.00
Scrubber	1.2.04	\$323,890	\$323,890	100.00 %	100.00 %	0.00 %	\$0	\$323,890	1.00	1.00
FQT Capital Equipment Package	1.2.05	\$7,787,790	\$7,787,790	100.00 %	100.00 %	0.00 %	\$0	\$7,787,790	1.00	1.00
Speciality Items	1.2.06	\$742,090	\$742,090	100.00 %	100.00 %	0.00 %	\$0	\$742,090	1.00	1.00
Instrumentation	1.2.07	\$1,499,303	\$1,499,303	100.00 %	100.00 %	0.00 %	\$0	\$1,499,303	1.00	1.00
Engineering	1.2.08	\$3,250,000	\$3,250,000	100.00 %	100.00 %	0.00 %	\$0	\$3,250,000	1.00	1.00
Construction Management	1.2.09	\$300,000	\$2,021,780	100.00 %	673.93 %	-573.93 %	\$0	\$2,021,780	1.00	0.15
Commissioning	1.2.10	\$786,325	\$200,000	25.44 %	25.43 %	0.02 %	\$586,284	\$786,284	0.25	1.00
Startup	1.2.11	\$426,000	\$0	0.00 %	0.00 %	0.00 %	\$426,000	\$426,000	0.00	0.00
FQPT Licensing Fee	1.2.13	\$5,642,656	\$2,614,266	46.33 %	46.33 %	0.00 %	\$3,028,413	\$5,642,679	0.46	1.00
Truck Loadout FQT Package	1.2.17	\$3,542,030	\$3,263,769	92.14 %	92.14 %	0.00 %	\$278,404	\$3,542,172	0.92	1.00
Rail Loadout Package	1.2.18	\$869,729	\$786,994	90.49 %	90.49 %	0.00 %	\$82,711	\$869,705	0.90	1.00
<b>Taxes and Equipment Tariffs (if applicable)</b>	<b>90</b>	<b>\$470,680</b>	<b>\$470,680</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>0.00 %</b>	<b>\$0</b>	<b>\$470,680</b>	<b>1.00</b>	<b>1.00</b>



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Workpackage	Cost Code	Budget	Actual Cost	% Complete	% Spent	Cost Variance	Estimate To Complete	Estimate At Complete	SPI	CPI
Equipment Tariffs	90	\$470,680	\$470,680	100.00 %	100.00 %	0.00 %	\$0	\$470,680	1.00	1.00
<b>Non MSC Project Costs Incurred</b>	<b>95</b>	<b>\$0</b>	<b>\$135,983</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>\$0</b>	<b>\$135,983</b>	<b>0.00</b>	<b>0.00</b>
Non MSC Project Costs Incurred	95.1	\$0	\$135,983	0.00 %	0.00 %	0.00 %	\$0	\$135,983	0.00	0.00
<b>Contingency</b>		<b>\$0</b>								
<b>Total</b>		<b>\$87,432,455</b>	<b>\$86,600,474</b>	<b>79.20 %</b>	<b>99.05 %</b>	<b>-25.06 %</b>	<b>\$18,182,569</b>	<b>\$104,783,043</b>	<b>0.79</b>	<b>0.80</b>



GP Turnkey Tharaldson LLC  
Balance Sheet  
March 31, 2024

	March 31, 2024	February 29, 2024
<b>ASSETS</b>		
Current Assets		
Cash	6,873.78	1,415,246.25
Accounts Receivable	-	-
Inventory	23,962.86	14,842.28
Prepaid Expenses and Other Current Assets	-	-
	-----	-----
Total Current Assets	30,836.64	1,430,088.53
Property and Equipment		
Land	-	-
Buildings and Land Improvements	-	-
Production Equipment	35,284.00	35,284.00
Other Equipment	-	-
Construction in Progress - Projects	34,177.50	14,320.87
Construction in Progress	86,125,771.58	82,891,319.99
	-----	-----
Total Property and Equipment	86,195,233.08	82,940,924.86
Less: Accumulated Depreciation	-	-
	-----	-----
Total Property and Equipment, Net	86,195,233.08	82,940,924.86
Other Assets		
Right of Use Asset - Lease, Net	5,032,924.68	5,041,156.89
Notes Receivable - LT	-	-
Interest Receivable	-	-
Deferred Financing Costs, Net	-	-
	-----	-----
Total Other Assets	\$5,032,925	\$5,041,157
	-----	-----
<b>Total Assets</b>	<b>91,258,994.40</b>	<b>89,412,170.28</b>
=====		
Current Liabilities		
Accounts Payable and Accrued Expenses	6,012,247.73	4,927,267.49
Current Portion of Operating Lease Obligation	100,843.73	100,525.40
Current Maturities of Long-Term Debt	-	-
	-----	-----
Total Current Liabilities	6,113,091.46	5,027,792.89
Long Term Liabilities		
Internal Long-Term Debt	-	-
External Long-Term Debt	-	-
Net of Current Maturities	-	-
	-----	-----
Total Long-Term Debt	-	-
Fair Value of Interest Rate Swap	-	-
Operating Lease Obligation, Net of Current Portion	4,932,080.95	4,940,631.49
	-----	-----
Total Liabilities	11,045,172.41	9,968,424.38
Member's Equity		
Retained Earnings	(2,204,911.28)	(1,774,987.37)
PIC - Tharaldson Ethanol	34,200,000.00	33,000,000.00
PIC - GPPE	48,218,733.27	48,218,733.27
	-----	-----
Member's Equity	80,213,821.99	79,443,745.90
	-----	-----
<b>Total Liabilities and Member's Equity</b>	<b>91,258,994.40</b>	<b>89,412,170.28</b>
	=====	=====
	\$ -	\$ -

These unaudited financial statements have been prepared by management.



GP Turnkey Tharaldson, LLC  
Statement of Operations  
For Three Months Ending March 31, 2024

	Month Ended March 31, 2024	Year to Date
Revenues		
Net Sales	0.00	0.00
	-----	-----
Total Revenues	0.00	0.00
Cost of Goods Sold		
Whole Stillage	0.00	0.00
Steam Costs	0.00	0.00
Electricity	53,862.18	53,862.18
Water	0.00	0.00
Wages and Benefits	175,586.35	365,290.24
Billable Hours	18,796.20	40,408.70
Maintenance and Repairs	6,460.48	12,613.28
Depreciation	0.00	0.00
Land Rent Expense	24,119.50	72,358.50
Supplies	34,378.36	74,719.63
Railcar Repairs	0.00	0.00
Consulting and outside services	(2,575.00)	40,729.56
Travel	1,379.16	1,701.63
	-----	-----
Total cost of goods sold	312,007.23	661,683.72
	-----	-----
Gross Profit	(312,007.23)	(661,683.72)
Selling, general and administrative expenses	86,078.03	263,476.88
	-----	-----
Income (Loss) from Operations	(398,085.26)	(925,160.60)
Other Income		
Interest income	928.55	928.55
Interest expense	0.00	0.00
Financing fees	0.00	0.00
Gain/(Loss) on TE Production	(32,767.20)	(254,419.92)
Other Income	0.00	0.00
	-----	-----
<b>Net Income/(Loss)</b>	<b>(429,923.91)</b>	<b>(1,178,651.97)</b>
	=====	=====

These unaudited financial statements have been prepared by management.



