



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Tuesday, July 26, 2022
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Jessica Bell, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Jessica Bell, Brad Bekkedahl, Kathy Hogan, Curt Kreun, Dale Patten, Merrill Piepkorn; Representatives Tracy Boe, Mike Brandenburg, Alisa Mitskog, Don Vigesaa*

Members absent: Representatives Dick Anderson, Todd Porter

Others present: See [Appendix A](#)

**Attended remotely*

It was moved by Senator Bekkedahl, seconded by Senator Patten, and carried on a voice vote that the minutes of the May 10, 2022, meeting be approved as distributed.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTMENT CRITERIA

Mr. Thomas Beadle, State Treasurer, presented testimony ([Appendix B](#)) regarding environmental, social, and governance investment criteria. He noted:

- Environmental, social, and governance investment criteria are a set of standards used by socially conscious investors to review a company's behavior when screening potential investments.
- Environmental investment criteria focuses how on financial activity impacts the environment, including climate change, carbon emissions, pollution, water scarcity, waste management, and energy efficiency.
- Social investment criteria focuses on people and relationships, including customer satisfaction for a business, data protection, labor standards, human rights impacts, gender and diversity, and community relations.
- Governance investment criteria focuses on how the company is run, including board composition, audit processes, executive compensation, lobbying and political contributions, and whether protocols are in place to avoid bribery and corruption and protect whistleblowers.
- North Dakota is ranked as neutral in the social and governance metrics and moderately negative for environmental factors.

Mr. Riley Moore, West Virginia State Treasurer, provided testimony ([Appendix C](#)) regarding environmental, social, and governance investing.

Mr. Marlo Oaks, Utah State Treasurer, provided testimony ([Appendix D](#)) regarding environmental social governance investing.

PUBLIC SERVICE COMMISSION

Mr. Randy Christmann, Commissioner, Public Service Commission, presented a status report ([Appendix E](#)) regarding on the reliability concerns facing the bulk power system. He noted:

- Energy is the foundation of North Dakota's economy, impacting every business from the smallest bakeries and body shops to the largest corporations. Energy costs are embedded in every product and have the largest impact on vulnerable communities and people with low or fixed incomes.

- Even in North Dakota, which is an electricity exporting state where rates are among the lowest in the nation, energy costs are rising.
- Natural gas customers in North Dakota have seen an increase in cost of approximately 30 percent since 2016, resulting from the dual use of gas for home heating and electrical generation and the lack of planning and coordination needed to sustain both uses.
- North Dakota's transmission costs have increased 388 percent since 2003, a trend that will continue as the grid is expanded to accommodate renewable resources.
- Thirty-five percent of the energy consumed by North Dakotans last year was derived from renewable sources.

ELECTRICAL UTILITY PANEL

Minnkota Power Cooperative

Mr. Todd Sailer, Senior Manager of Power Supply, Minnkota Power Cooperative, provided testimony ([Appendix F](#)) regarding utility company and cooperative updates and challenges.

Basin Electric Power Cooperative

Ms. Jean Schafer, Senior Legislative Representative, Basin Electric Power Cooperative, provided testimony ([Appendix G](#)) regarding utility company and cooperative updates and challenges.

Otter Tail Power Company

Mr. Bradley E. Tollerson, Vice President of Energy Supply, Otter Tail Power Company, provided testimony ([Appendix H](#)) regarding utility company and cooperative updates and challenges.

Xcel Energy, Inc.

Mr. John Marshall, Vice President, Community Relations, Xcel Energy, Inc., provided testimony ([Appendix I](#)) regarding utility company and cooperative updates and challenges.

Montana-Dakota Utilities Co.

Mr. Darcy Neigum, Director of Electric Systems Operations and Planning, Montana-Dakota Utilities Co., provided testimony ([Appendix J](#)) regarding utility company and cooperative updates and challenges.

REPORTS

High-Level Radioactive Waste Advisory Council

Mr. Ed Murphy, State Geologist, Department of Mineral Resources, and Executive Secretary, High-Level Radioactive Waste Advisory Council, provided testimony ([Appendix K](#)) regarding the council's findings.

Department of Environmental Quality

Mr. Dave Glatt, Director, Department of Environmental Quality, provided testimony ([Appendix L](#)) regarding carbon reduction initiatives, rules, or policies that will affect North Dakota residents and industries. He noted:

- In 2021, Governor Doug Burgum expressed a goal that North Dakota be carbon neutral by 2030.
- Carbon neutrality is a state of net zero carbon dioxide emissions, which can be achieved by balancing carbon dioxide emissions with carbon dioxide capture or by eliminating emissions entirely.
- North Dakota's total emissions in 2018 were 54.97 million metric tons of carbon dioxide equivalent from fossil fuel combustion.

No further business appearing, Chairman Bell adjourned the meeting at 3:05 p.m.

Christopher S. Joseph
Senior Counsel

ATTACH:12