

Chair Delzer and members of the House Appropriations committee, my name is Granville Brinkman. I am the Economic Development Director for the City of Beulah and the president of Mercer County Economic Development. Economic Development for Mercer County and Beulah involves enticing new businesses to move to the area and create much needed jobs. While natural gas is the main heating fuel for most businesses and homes in the United States, part of North Dakota, including Mercer County, remain underserved or have no service. Mercer County has valuable resources; enough coal to provide electricity to nine states, sand and gravel, and an abundant water supply from Lake Sakakawea. New industries often come to Beulah or Hazen in search of a location to build their business but then leave due to our lack of natural gas service. Natural Gas service for Mercer County has been a priority goal since the early 2000's, preceding my time as Economic Development Director. Since we understand the value of natural gas service in economic development, Mercer County Economic Development supports passage of SB 2345 and an appropriation of \$150 million to the East-to-West natural gas pipeline. Mercer County wants to be part of the natural gas solution for the State of North Dakota. Therefore, we stand in support of the appropriations mentioned in SB 2345 to the North Dakota Department of Commerce, specifically \$21 million for a fuel production facility incentive

program, \$20 million for hydrogen development grants and \$15 million for workforce recruitment, retention and retraining. These are all programs that may in the end benefit Mercer County and its citizens as we search for the correct economic development opportunities.

Mercer County currently has opportunities in front of us including a glass manufacturing operation that is particularly attracted to Mercer County due to the felspar content of the sand associated with sand mining. The sand not required to produce glass could be used for hydraulic fracturing activities, as well as well pad construction in western North Dakota. Another opportunity is a plastics recycling plant. A third is a petrochemical plant. There are also more local needs for natural gas such as: a meat packing plant, a petroleum products plant, the local grocery store, hardware stores, churches, the industrial park and our schools. They would all benefit from natural gas service. As long as natural gas prices are less than \$20 per 1,000 feet, natural gas is a less expensive alternative that can save large facilities thousands of dollars per month in heating costs.

Bronson's Market Place, in Beulah for example, estimated a savings of \$30,000/annum. We understand that switching from propane to natural gas is not easy or without expense and not all homeowners will elect to make the change.

Beulah has a divided city, south of 7<sup>th</sup> street has propane service and north of 7<sup>th</sup>

street is mostly electric heating. Those with electric heating may be more inclined to switch to a lower cost heating supply. That said, in order to grow Mercer County, entice new businesses and new jobs, natural gas service is a top priority and a top necessity.

Mercer County Economic Development (MCED) is currently pursuing an Economic Assistance Grant from the Economic Development Administration for \$5 million. This money, if awarded, will provide the internal natural gas infrastructure for the cities of Beulah and Hazen. Mercer County is looking at several alternatives for natural gas trunk lines to service this infrastructure. The closest current trunk line is located near Glen Ullin, more than thirty miles from Beulah, and has a cost of approximately \$25 million to service Beulah and Hazen. Mercer County Economic Development continues to discuss possibilities for natural gas service with Bakken Energy to see if a closer and less expensive alternative might be possible. After infrastructure is built and while trunk line service is in construction phase, Mercer County plans to contract liquid natural gas service to feed infrastructure necessary to serve those most in need: new businesses, churches, the hardware and grocery stores- those who most benefit.

MCED has also submitted a grant application to EDA for \$250,000 to develop the Great Plains Technology & Jobs Incubator. The GPTJI would provide programs from BSC and UMary for training or retraining of citizens from the counties of Mercer, Dunn, Oliver and McLean via distance learning or classroom with trained educators. Mercer County cannot afford to lose more of our workforce to parts of this state or other states, so we are dedicated to the concept of enticing new industry and retraining our workforce for new types of opportunities. Mr. Chairman and members of the committee, thank you for time this morning. I am happy to stand for questions.