

Perrie Schafer

From: Perrie Schafer
Sent: Saturday, March 27, 2021 1:27 PM
To: Perrie Schafer
Subject: RE: 2313

Chairman Rep Bosch and Subcommittee members Lefor, Ista and Zubke, thank you for this forum in which to speak.

This is a hard conversation to have as the people across the room are my customers, and people I have worked for and with and continue to do so. People I respect. This isn't a finger pointing conversation for me or the contractor suppliers I represent.

However, I need to express "the other side" of the conversation.

Where are we as a coal industry if we don't act now, today with 2313 as amended? I dare say in 10-15 years we won't have a coal fired plant that is utility owned producing electrons from coal in the state of ND.

Why? Because the present situation the utilities find themselves in is being determined by another source, specifically the "endangerment finding" levied by the Federal Gov on our industry. The utilities were then incented, paid, to generate electrons from "other" sources.

What can be done in a proactive manner is to show the RTO's what ND values and what we advocate for...which is reliable, clean, readily available base load power. Holding the utilities accountable as 2313 does will tell the RTO's exactly this as we will look back on this moment in time and say, we have done well in protecting our fleet and our economy together, the utilities, the legislature, the PSC and contractor suppliers.

Will we ever be in the same situation as what recently happened on the TX grid? We can "say" this won't happen to us; but it will happen to us unless we act to approve 2313 as amended. Renewables are only 44% reliable while base load power sources are 96% reliable...these are simply the facts. (Please see the attached spread sheet comparing renewables to Coal.)

I applaud the PSC for their leadership in securing our energy future in ND and support them in this bill.

I also understand the "business" model the utilities operate under, I have been in business for 35 years and have successfully built companies in wealth management, real estate, and engineered sales, so I understand markets and pressures from regulators and from suppliers and customers, so I empathize with them. The concern they have as to self-preservation, I understand.

Passing 2313 as amended is one way for the utilities to have the security they desire, as well as the security the support industry desires. Sounds weird doesn't it, if the utilities agree to be penalized they have security down the road; but that is correct! This bill as amended will hold the utilities to account, in a similar way we as contractor suppliers are held to account when working with them. This bill will ensure the RTO's understand the value we, including the utilities, put on coal, and the RTO's will see the utilities are advocating for coal now and as we head towards the future.

Thank you for understanding this and thank you for your consideration in doing the right thing as we look into the future of ND Coal.

Perrie Schafer
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...Coal is an indispensable pillar to our state and local communities as well as the nation in general because it generates far more jobs and tax revenue than wind, no matter what Bob Harms says about the \$2.4Billion ND has left on the table not allowing wind to replace GRE Coal Creek (for example). The spread sheet shows Harm's number as "Capacity Factor" and shows wind at 57% available, and we know that number to be far lower, the actual number is 44% available for ND wind...however using 57% STILL doesn't get wind up to the tax revenue that the same 1000MW of coal does. And if we had to build a new plant to produce 1000MW of coal generated electrons, the "new construction" to build a power plant with respect to land value savings, would also dwarf that of building a new 1000MW wind farm and on only about 3000 acres, not 1.5MM acres consumed by a 1000MW wind farm...so what Harms says is blatantly false...period.

...A 1000-MW coal facility provides six times more tax revenue than a 1000-MW wind farm as seen in the attached spreadsheet.

Comparison-

- Jobs:
 - Wind- The value to the state's economy is largely in the upfront capital investment to purchase turbine materials and the fair amount of temporary construction workers, many of whom are from out of state, and this is a temporary situation, not permanent as far as people coming into the state to build the wind Farm, (this is quite different than building a Power plant, those workers are mostly local that then stay here once the plant is built and operate the plant). Once a 1000MW wind farm, which equals around 800 turbines, is built and operational a few full-time workers gain employment.
 - Coal- A 1000MW coal power plant already built; and the capital investment has been made so it is not a true apples-to-apples comparison to only consider construction and materials into this analysis. However, we can compare employees, which means the families who fill our schools and towns. One 1000-MW coal power plant and associated mine has around 700 full time workers who average some of the highest wages in the state, which is shown on the spread sheet (and this spread sheet does not take into consideration all the services companies that support the plants daily).
- Tax Revenue:
 - A 1000MW coal plant generates about \$32 million per year in tax revenue from all sources that is paid to state and local taxes.
 - A 1000MW wind farm generates about \$5 million per year in tax revenue including property taxes and sales taxes (income taxes), (using the 57% capacity factor which is not accurate).
 - By giving up coal for wind, we are blowing a \$27 million hole in the budgets of state and local governments every single year. This comparison can easily be capitulated throughout the nation as a comparison of 1000MW of coal to 1000MW of wind...it isn't a ND thing, but a national comparison.

Setting aside all the other quantifiable factors between wind and coal, wind does not come close to providing the full-time jobs and tax revenue that coal does. If we are comparing what wind **brings into** the state as far as jobs and economic development, we must compare what destroying coal **takes out of** the state as far as jobs and taxes and the decline of the economies of our communities. Again, this is a national comparison as well, not only a ND comparison.