Mr. Chairman and members of the committee.

I am John Weeda, Director of the North Dakota Transmission Authority

Thank you for the opportunity to present testimony in support of SB2313.

Senate Bill 2313 contains provisions that will assure that the Legislature, the Governor's Office, the Industrial Commission, the Pubic Service Commission and the public in North Dakota will have access to a complete overview of the electric grid for North Dakota and the surrounding area every two years prior to the Legislative Session.

We are in a time of unprecedented change to the electric grid. Many of the coal fired resources that have been the baseload anchor to the grid are being retired. New additions to the grid are mostly wind and solar generation. There are also some new resources that are natural gas fired.

The grid in North Dakota is managed by two independent system operators (ISOs). The ISOs are responsible for the operation of the grid, but take the position that states are responsible for the resources that are attached to the grid. The only regulation of generation resources in North Dakota is the Public Service Commission oversight of Investor Owned Utilities. A majority of generation resources in North Dakota are owned by Generation and Transmission Cooperative that are regulated by their owners. The wind generation in the state has a mix of ownership by regulated utilities both in and outside of North Dakota and by developers that sell to utilities and cooperatives inside or outside of North Dakota. As a result the State of North Dakota has very little control over the resources attached to the grid in North Dakota.

Both regulated utilities and generators that are not subject to PSC regulation would be incorporated in a statewide view of resources compiled by the North Dakota Transmission Authority.

Senate Bill 2313 is intended to bring attention to the mix of resources in North Dakota and understanding of the importance of diversity of resources and the value of dispatchable resources to the state. Retaining our baseload resources as long as practical and diversifying resources as we continue is a key to the low emission strategy that is being developed in the state. By focusing on opportunities such as carbon capture and enhanced oil recovery the combined efficiency of ND energy can be maximized. This extended to opportunities for hydrogen fuels, electric storage, low carbon ethanol production and other emerging technologies.

In a recent report, the Midcontinent Independent System Operator (the ISO for portions of North Dakota) reported on their Renewable Integration Impact Assessment (RIIA) for achieving high renewable generation in response to desires of member states and companies. They reported being confident that they can reach 50% MISO wide renewable levels. The language also has some word of caution for the portion of the grid that serves North Dakota:

The RIIA said that at the MISO-wide 30% penetration level, parts of

the North region see penetration levels ranging from 40% to over 100%

local penetration. These changes lead to very different reliability risks than are

experienced today.

The events of the past week of cold weather penetrating deep into the central part of the country did bring reality to the fact that generation resources even as they exist today can be overtaxed. ERCOT in Texas, SPP from Texas to North Dakota and MISO in southern regions in Louisiana and east Texas all curtailed load on the grid. The rotating blackouts that affected service to retail customers in ND have highlighted the need for the Legislative and Administrative divisions of government to be regularly advised on the electric grid in North Dakota.

Senate Bill 2313 will not prevent future incidents like that, but will help send the message to the ISOs that are responsible for our grid to understand our intent to continue our current operations that bring stability to the grid and to encourage renewable generation that is compatible and indeed enabled by the stability that the baseload resources contribute in an area that will experience very different reliability risks in the future as renewable generation progresses.

John Weeda

Director, ND Transmission Authority

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