



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Monday, December 18, 2023
Harvest Room, State Capitol
Bismarck, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators David Hogue, Brad Bekkedahl, Keith Boehm, Dale Patten, Merrill Piepkorn; Representatives Dick Anderson, Mike Brandenburg, Alisa Mitskog, Corey Mock, Don Vigasaa

Members absent: Senator Ryan Braunberger; Representative Todd Porter

Others present: Ms. Julie Fedorchak, Mr. Randy Christmann, and Ms. Sheri Haugen-Hoffart, Commissioners, Public Service Commission

See Appendix A for additional persons present.

It was moved by Representative Vigasaa, seconded by Senator Bekkedahl, and carried on a voice vote that the minutes of the August 7, 2023, meeting be approved as distributed.

Chairman Hogue appointed Senator Patten as Vice Chairman for this meeting.

NATURAL GAS ACCESSIBILITY IN SMALL COMMUNITIES STUDY

Mr. Christopher S. Joseph, Senior Counsel, Legislative Council, presented a memorandum entitled *Natural Gas Accessibility - Background Memorandum*. ~~The~~He noted the memorandum:

- Provides the legislative history of Section 1 of Senate Bill No. 2366 (2023), which directed the Legislative Management to study accessibility of natural gas in small communities. ~~He noted the memorandum~~Includes information on the study guidelines, prior interim studies related to natural gas and propane, infrastructure cost ranges, and applicable state tax incentives ~~for gas~~.

Mr. Justin Kringstad, Executive Director, North Dakota Pipeline Authority, provided testimony (Appendix B) regarding natural gas accessibility and transmission needs in the state.

Mr. Jay Standish, Mayor, New Town, provided testimony (Appendix C) regarding natural gas accessibility and transmission in small communities. He noted:

- He supports ~~developing and urges~~ increased access to natural gas ~~to~~for all small cities and communities ~~across North Dakota~~ because ease of access to natural gas increases economic development opportunities, which in turn attracts more businesses and people to a community.
- North DakotaThe state has a history of supporting transmission projects ~~to export~~exporting gas out of North Dakotathe state; however, ~~It is time to reassess and redirect~~ that support ~~should be redirected~~ towards distribution projects ~~that directly~~ benefiting North Dakotans. ~~and expands the pie,~~
- ~~The economic development opportunities that open up when a community has natural gas creates a rising tide that lifts all boats, including for electricity and propane because it attracts more business and people~~
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Ms. Kelly Woessner, Auditor, City of Parshall, provided testimony (Appendix D) regarding natural gas

accessibility and transmission in small communities.

Mr. Larry Oswald, Director, Business Development & Energy Services, Montana-Dakota Utilities, provided testimony (Appendix E) regarding ~~an overview of~~ natural gas service in the state, and costs and other barriers to delivering natural gas to communities. He noted:

- Montana-Dakota Utilities has 1,180,770 electric and natural gas customers across 459 communities.
- The benefits of natural gas include reliability, resilience, ~~an abundant supply~~, and lower energy costs ~~for more North Dakota homes and businesses~~.
- Barriers to providing natural gas to smaller cities ~~and communities~~ include the distance between the pipeline and the community, interconnection costs, population densityies, conversion rates, and customer connection costs ~~to customers~~.
- Montana-Dakota Utilities has potential tentative plans ~~for to expand~~ natural gas expansion service to Kindred, Colfax, and Walcott beginning in the ~~F~~fall of 2024 and continuing into 2025.

Ms. Kristine Anderson, Regulatory Affairs & Corporate Counsel, Dakota Natural Gas, LLC., provided testimony (Appendix F) regarding natural gas accessibility in the state.

Ms. Rachel Iverson Schafer, RD, CSSD, Director of Program Administration, Department of Health and Human Services, provided testimony (Appendix G) relating to the ~~L~~Low-~~i~~Income ~~h~~Home ~~e~~Energy ~~a~~Assistance ~~p~~Program (LIHEAP). She noted:

- ~~The Low Income Home Energy Assistance Program (LIHEAP)~~ helps eligible families with home heating and weatherization costs.
- LIHEAP ~~partially~~ pays a portion of the ~~partial~~ cost of natural gas, electricity, propane, fuel oil, coal, wood, or other fuel sources used for home heating.
- Households ~~that are~~ eligible for LIHEAP eligibility includes ~~households those~~ whose ~~is included in the~~ rent payments include the cost of heat if ~~they do not live in subsidized housing or~~ the household is not receiving housing assistance or residing in subsidized housing, ~~households those~~ who have difficulty paying fuel bills due to other rising costs and are in danger of losing their heating source, and ~~individuals those~~ who have received a shutoff notice, ~~have~~ had their heat shut off, or ~~have~~ run out of fuel.
- LIHEAP currently supports 14,200 ~~North Dakota~~ households in North Dakota.

Mr. Granville Brinkman, Economic Development Director, Beulah, and Mercer County Economic Development Chair, provided testimony (Appendix H) regarding ~~Mercer County's the~~ loss of large industrial and commercial projects in Mercer County to other states and other regions in North Dakota because of the county's lack of accessibility to natural gas.

SUSTAINABLE ENERGY POLICIES STUDY

The North Dakota Public Service Commission joined the committee's ~~study and~~ for its discussion on sustainable energy policies.

Mr. Claire Vigesaa, Executive Director, North Dakota Transmission Authority, provided testimony (Appendix I) regarding transmission infrastructure. He noted:

- Factors ~~that impacting~~ grid reliability include natural disasters, cybersecurity threats, electric generation adequacy, ~~and~~ maintenance issues, and the operations of the grid.
- ~~Regarding the 2023-24 Winter Reliability Assessment,~~ indicated a large portion of the North American bulk power system is at risk of insufficient electricity supply during peak winter conditions ~~per the 2023-24 Winter Reliability Assessment~~.

- Prolonged, ~~wide-area~~geographically expansive cold snaps threaten the ~~reliable performance~~reliability of bulk power system generation and the availability of ~~the~~ natural gas used by many generators. ~~When electricity supply becomes constrained,~~sSystem operators ~~then may can~~might face a ~~simultaneous,~~ sharp, simultaneous increase in demand, resulting in a constrained supply, as electric heating systems consume more power in cold temperatures.
- Areas of natural gas transmission congestion include the Bakken and Southeast North Dakota.

Mr. Jeff Merrifield, ~~F~~former Commissioner, United States Nuclear Regulatory Commission, provided testimony (Appendix J) regarding advanced nuclear energy. He noted:

- ~~In December,~~ 2023, the United Arab Emirates ~~declared~~announced its intent to transition ~~away~~ from the use of fossil fuels to achieve net zero use by 2050. ~~24~~Twenty-four countries, including the United States, have ~~declared~~committed to ~~triple~~tripling the their use of nuclear energy by 2050.
- 53 countries operate 223 research reactors, and more than 200 nuclear reactors power over 160 ships and submarines worldwide. Over 50 countries are considering ~~embarking on~~ new nuclear programs.
- There are ~~currently~~ over 420 nuclear reactors worldwide in ~~over~~more than 33 countries, and the United States is the largest operator with 94 nuclear units.
- Commercial and regulatory benefits of nuclear energy include scalability ~~as there is ongoing power~~ to meet incremental growth in electric demand ~~growth~~, and greater flexibility for additional applications, including re-powering existing fossil fuel sites, processing heat for industrial applications ~~and~~, water purification, and desalination, and hydrogen production.

No further business appearing, ~~Senator~~acting Vice Chairman Patten adjourned the meeting at 3:15 p.m.

Christopher S. Joseph~~Samantha E. Kramer~~
Senior Counsel ~~and Assistant Code Revisor~~

ATTACH: