

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1579

Introduced by

Representatives Novak, Porter, Heinert

Senators Kessel, Patten

1 A BILL for an Act to provide for a legislative management study relating to the impact of large
2 energy consumers on the state's electrical grid.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF LARGE ENERGY**
5 **CONSUMERS ON THE ELECTRICAL GRID.**

6 1. During the 2025-26 interim, the legislative management shall study the impact of large
7 energy consumers, including data centers, on the electrical grid of this state,
8 regulatory structure, and economic development. The study must include an
9 evaluation of the:

- 10 a. Electrical grid reliability and infrastructure requirements within the state, including
11 the capacity of the electrical grid, necessary upgrades to accommodate large
12 energy consumers, the cost of necessary upgrades to accommodate large
13 energy consumers, how the cost of necessary upgrades to accommodate large
14 energy consumers are allocated, effects of congestion on the electrical grid
15 caused by increased development, and best practices for integrating
16 high-demand users while maintaining reliability for all ratepayers;
- 17 b. Regulatory consistency throughout the state, including an assessment of the
18 manner in which state and local laws and regulations impact large energy
19 consumers, whether the certificate of public convenience and necessity process
20 is appropriate for private-sector end users, and whether regulatory
21 inconsistencies exist between investor-owned utilities, rural electric cooperatives,
22 municipal power providers, and independent power producers;

- 1 c. Economic impacts affecting the energy industry of the state, including an
2 assessment of job creation, tax revenue generation, and long-term investment
3 trends tied to data center development and other large energy consumers;
- 4 d. Market dynamics of the local and national energy industry, including the role of
5 demand-side management, local versus regional energy market participation,
6 and the ability of large consumers to support grid stability through off-peak
7 consumption or other grid-supportive practices;
- 8 e. Costs and impacts of all regulated and exempted public utilities, including best
9 reporting practices; and
- 10 f. Regulatory and exemption criteria relating to load size, system integration,
11 application processes, impacts to consumers and access to the regional grid
12 systems, electrical generation sources, the feasibility of colocated backup
13 generators at various facilities, and generation sources, including legacy electric
14 generation units.
- 15 2. The study must include input from representatives of:
 - 16 a. Data center operators and other large energy consumers operating or
17 considering investment in the state;
 - 18 b. Investor-owned utilities, rural electric cooperatives, municipal power providers,
19 and independent power producers;
 - 20 c. The public service commission;
 - 21 d. The lignite energy council;
 - 22 e. The North Dakota transmission authority;
 - 23 f. Regional transmission organizations;
 - 24 g. The petroleum council; and
 - 25 h. Any other relevant state or federal agency.
- 26 3. The legislative management shall report its findings and recommendations, together
27 with any legislation required to implement the recommendations, to the seventieth
28 legislative assembly.