



North Dakota Association of Rural Electric Cooperatives
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January 16, 2025

To: North Dakota House – Energy and Natural Resources Committee
From: Josh Kramer, executive vice president and general manager, NDAREC
RE: **Opposition to HB 1111 – Electric Public Utility Exemption**

Chairman Porter and members of the House Energy and Natural Resources Committee,

I'm Josh Kramer the General Manager North Dakota Association of Rural Electric Cooperatives (NDAREC) and I'm here on behalf of our members to express our opposition to HB1111. Our organization represents 17 electric distribution cooperatives and five generation and transmission cooperatives that generate, transmit and distribute electricity across the state of North Dakota.

We oppose legislation that may exempt a public utility of the commission's choosing from regulation.

- 1) This proposal would challenge the Territorial Integrity Act (TIA) by green lighting access for some, to serve large loads without regulatory oversight of a jurisdictional body.
- 2) This proposal leaves open-ended, just how broad the exemption will be extended, what the criteria might be for determining which projects, companies or generators are in the public's interest and worthy enough to be granted such an exemption. This bill language lacks clarity regarding the potential size of load (minimums and maximums), the intent of the generation and leaves vague what will be required of existing utilities within the service area to accommodate the exempt entity.

*Is the intent to connect to the grid, provided back-up generation or something else?

*Will there be an application process?

* Will consideration be given to the potential impact an exempted entity would have on existing consumers and overall electric grid?

- 3) This proposal creates more uncertainty; jeopardizes reliability and affordability.

Electricity markets are under pressure from changing market participants, fuel and generation sources. Local utilities are working diligently to maintain reliable, affordable electric service. This bill adds another layer of uncertainty and jeopardizes the ability of ND utilities to maintain and grow their capacity to serve.

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