

March 17, 2025

To: Senate Finance and Taxation Committee, Senator Mark Weber, Chairman

Re: Support for HB 1279

From: Zac Smith, communications and government relations director, NDAREC

Chairman Weber and members of the committee, for the record, my name is Zac Smith, and I serve as the director of communications and government relations for the North Dakota Association of Rural Electric Cooperatives in Mandan. On behalf of the 17 distribution cooperatives and five generation and transmission cooperatives who are members of our association, I am testifying in support of HB 1279.

Our nation is at an energy crossroads and the leadership of the North Dakota Legislature to continue tax relief for coal fired generation is more critical than ever. Electric cooperative members expect the lights to stay on at a cost that they can afford. HB 1279 is a vital piece of legislation to meet that expectation for cooperative members. Electric Cooperatives own and operate Antelope Valley Station, Leland Olds Station, and Milton R. Young Station. Additionally Great River Energy purchases from Coal Creek Station and Minnkota serves as the operating agent for Northern Municipal Power Agency, which owns 30% of Coyote Station. Electric cooperatives take great pride in having an interest in every coal generation unit operating in North Dakota.

Balancing reliability and affordability is increasingly difficult in an increasingly volatile energy market influenced by regulations, consumer habits, preferences and soaring demand for electricity. Further, an aggressive Federal government has made it harder to operate coal plants in recent years. Despite the headwinds, electric cooperatives remain committed to affordability and reliability. To remain competitive in this environment, lignite coal-based power plants and conversion facilities require economic relief to sustain the viability of baseload generation, protect North Dakota's lignite industry, and ensure coal-based power remains a reliable and economically viable resource in wholesale power markets.

I urge a "do pass" on HB 1279.