

Senate Finance and Tax Committee, Senator Weber, Chairman
HB 1279—Testimony in Favor

Chairman Weber, members of the committee, I am Carlee McLeod, representing Minnkota Power Cooperative. We ask for your support on HB 1279.

Minnkota is a not-for-profit electric generation and transmission cooperative providing wholesale electric energy to 11 member-owner distribution cooperatives in eastern North Dakota and northwestern Minnesota. Our members serve nearly 137,000 consumer accounts, including many of the region's homes, farms, schools, and businesses. Minnkota also serves as operating agent for the Northern Municipal Power Agency. NMPA supplies the electric needs of 12 associated municipals that serve more than 15,000 consumer accounts in the same geographic area as the Minnkota member-owners.

Minnkota is committed to delivering safe, reliable, affordable, and environmentally-responsible electricity. Our primary source of electric generation is the Milton R. Young Station, a two-unit, lignite coal-based power plant located near the town of Center, North Dakota.

- Young 1 came online in 1970 and has the capacity to produce 250,000 kilowatts.
- Young 2 came online in 1977 and has the capacity to produce 455,000 kilowatts.

To deliver our electricity, Minnkota operates and maintains a robust set of electric transmission infrastructure, including more than 3,340 miles of transmission line and 252 substations.

Our coal comes from the nearby Center Mine, owned and operated by BNI Coal. Its abundant and low-cost lignite coal plays a key role in the plant's success. Between the plant and mine, there are approximately 360 people employed to mine and convert ND lignite coal into baseload electricity. Our facilities and our employees contribute significantly to the state and local economy, and we are one of the main reasons Oliver County can boast they have the highest per capita income in the state. Our workforce is dedicated, and they carry the weight of providing life-sustaining, reliable electricity around the clock through the harshest storms, the coldest nights, and the hottest days.

Environmental regulations have increased the cost of generation over time. In the last decade, we have invested over \$400 million in environmental upgrades to the plant. As we look toward the future, the challenges of providing baseload electricity are likely to place future investments in the billions rather than millions.

The changing dynamics of the electric markets have shown a dramatic shift in the highs and lows in pricing over the past few years. Keeping costs as low as possible is extremely important, not only for our members, but also for our ability to remain competitive in a challenging industry.

This bill provides meaningful tax relief to us, our customers, and our industry. We ask for your support of HB 1279.