

Testimony of Jason Weiers, Otter Tail Power Company, in Support of House Bill 1258

Senate Energy and Natural Resources Committee

March 21, 2025

Good morning, Chairman Patten and members of the committee, my name is Jason Weiers, and I serve as manager of transmission project development for Otter Tail Power Company.

I have been employed by Otter Tail since 2000 and am a graduate of North Dakota State University with a bachelor's degree in electrical engineering. I am also a registered professional engineer in the State of Minnesota. I have approximately 24 years of experience in the electric utility industry, with more than 22 years of those in electric transmission planning. In my current role, I oversee the permitting of transmission projects, which includes permitting transmission facilities at the local, state, and federal levels. In addition, I am responsible for developing agreements with our co-owners that outline the business arrangements for ownership, development, construction, operations, and maintenance activities. In my previous roles at Otter Tail, I was involved in transmission and distribution planning studies, transmission project agreements, regulatory proceedings related to permitting and cost recovery, as well as capital budget development and administration. I have experience throughout the various stages of project development, from conceptual planning all the way to taking a project through construction and placing it in-service.

I am here to testify in support of House Bill 1258. Importantly, lines 12 through 16 on page 1 provide that a state permit from the Public Service Commission for the construction of an electric transmission facility within a designated corridor supersedes and preempts local land use or zoning regulations except for a deference to local political subdivisions on complying with road use agreements.

Lines 17 and 18 on page 1 provides that before an electric transmission facility is approved, the commission would require the applicant to comply with road use agreements of impacted political subdivisions.

Lines 19 through 21 on page 1 and lines 1 through 4 on page 2 of House Bill 1258 further provides that a state permit may supersede and preempt the road use-related requirements of a political subdivision if the applicant shows by a preponderance of evidence that the regulations or ordinances are unreasonably restrictive in view of existing technology, factors of cost or economics, or needs of consumers regardless of location, or that are in direct conflict with state or federal laws or rules.

Lines 5 through 14 on page 2 would also create procedural requirements for the commission to notify counties, cities, and townships that have retained zoning authority along any part of the proposed corridor for the transmission line.

House Bill 1258 would provide automatic preemption of local land use and zoning ordinances if the commission issues a favorable decision on a siting application. However, road use requirements are not automatically superseded and preempted under House Bill 1258 unless the road use requirements are demonstrated to be unreasonably restrictive or in direct conflict with state or federal laws or rules.

House Bill 1258 is not introducing a novel approach to the commission's consideration of electric transmission facilities but rather creating parity on procedural provisions that are already in place for gas or liquid transmission facilities under Chapter 49-22.1 of the North Dakota Century Code. This parity creates consistency for the commission's consideration of critical electric transmission facilities that are needed to support state and public interests.

More importantly, it would ensure that the public and state interest in reliability, resource adequacy, and economic development outweigh local opposition to critical electric transmission facilities. Please allow me to provide an example.

At the present time, Otter Tail and Montana-Dakota Utilities Co. are engaged in the development of an approximately 95-mile, 345-kilovolt (kV) transmission line in North Dakota. The Jamestown to Ellendale transmission line, or JETx, is a significant and critical component of the North Dakota transmission system that will run between Otter Tail's Jamestown Substation and Montana-Dakota Utilities' Ellendale Substation.

Otter Tail and Montana-Dakota Utilities Co. first identified the JETx project as an essential part of the transmission grid that was needed for continued electric reliability and energy security in eastern North Dakota. Ultimately, JETx became one of 18 new transmission projects that was later approved by the Midcontinent Independent System Operator, or MISO, as an integral part of its Long-Range Transmission Plan because of its local and regional benefits. The JETx project will help ensure electric reliability, increase resiliency to extreme weather events, reduce transmission congestion, and increase access to low-cost energy in the region. These benefits allow for economic development across all of North Dakota because the interconnected transmission grid serves the whole state and beyond.

By way of background, MISO is essentially the equivalent of the air traffic controller of the regional transmission grid - - which includes transmission facilities in 15 states and the Canadian province of Manitoba. Managing the electric grid is similar to managing air traffic. Air traffic controllers are responsible for moving people from point A to point B safely and reliably, 24/7/365. They don't own the airplanes, they don't own the runways, they only direct the air traffic. Instead of moving people, MISO is responsible for moving electricity from where it is generated to where it is consumed, reliably and at the lowest possible cost 24/7/365. MISO doesn't own the generators, the transmission lines, or any part of the electric grid. The MISO member utilities, such as Otter Tail and Montana-Dakota Utilities, are responsible for owning the generation, transmission and distribution facilities needed to produce and deliver electricity to their customers.

Electricity is an essential public service of increasing importance that requires the construction of new facilities from time to time. Representatives of our company, who live and work in the communities we serve, work tirelessly to understand and address landowner concerns about the placement of new facilities. Because we live and work here too, our approach with our neighbors involves collaboration with landowners, which distinguishes our company from some of the other entities involved in infrastructure projects. The placement of new facilities requires careful consideration and thoughtfulness to address the concerns of landowners, whose partnership is essential to the success of constructing new facilities.

The JETx project kicked off in April 2023, and since that time, we have mailed over 9500 invitations to landowners and stakeholders across approximately 1200 square miles to attend two rounds of open houses that were held between June and September 2023. Since April 2023, we have also attended more than 65 meetings with townships, cities and counties along with having

over 300 individual landowner meetings throughout the project area. These efforts have allowed us to gather over 45 different reroute requests from landowners that have helped us identify a proposed route for the transmission line. In February of 2024, an application for a Certificate of Public Convenience and Necessity was submitted to the Public Service Commission and the commission ultimately approved the Certificate of Public Convenience and Necessity in November 2024. Right-of-way agents have continued to work with landowners and approximately 67% of the necessary land rights for the project have been obtained to date. In the second quarter of 2025, we plan to submit a combined application for a Certificate of Corridor Compatibility and Route Permit to the commission pursuant to Chapter 49-22 of the North Dakota Century Code. The commission will review the application and hold public hearings before making a decision on the combined application. It is anticipated that construction of the JETx Project will begin in the summer of 2026 and be complete by the end of 2028.

The December 2023 ice storm in the Jamestown area highlighted the need for the JETx project. Our company experienced an extreme weather event in December 2023 that resulted in two transmission lines serving the Jamestown area being out of service simultaneously. At that time, the capability of the transmission system was significantly reduced and as a result, our company was forced to only serve a limited number of customers in and around the city of Jamestown. Large customers in the Jamestown area, including Cavendish Farms, Green Bison, Dakota Spirit Ag and Applied Digital, were forced to operate at reduced levels in order to keep the lights on for the rest of the customers in the area. Once completed, the JETx Project will provide a new transmission line to serve the Jamestown area that will not only offer additional redundancy but also increase system capability to avoid a similar reliability issue in the future.

During our outreach efforts, there have been some areas of local opposition to the JETx project. This has manifested itself in at least 2 townships in Stutsman County enacting ordinances requiring a transmission line to have a 2,640-foot setback from occupied rural residences unless a waiver is received from the landowner. In addition, the Stutsman County Commission is also considering a similar amendment to its ordinances. Imposing a half-mile setback from occupied rural residences creates excessive exclusion zones, increases impacts, results in redundant regulation, and forces utilities to avoid placing transmission lines along section lines and roadways where most rural residences exist, and instead likely requiring transmission lines to be routed through the middle of valuable farmland.

This sort of local opposition, typically initiated by a comparatively limited number of landowners, is hindering the development of critical energy infrastructure in several locations in the state. The opposition is not limited to electric transmission projects but includes several other types of critical energy infrastructure projects necessary to support state and public interests. In these situations, the requirements of one political subdivision can have widespread consequences to other political subdivisions and therefore should be decided by the commission given their specialized knowledge of the electric grid and their role in public interest determinations.

The commission already has both the technical expertise and procedural requirements in place for electric transmission facilities that govern the siting process while allowing for landowners and stakeholders to participate in public hearings. Separate siting requirements and public hearings required by local political subdivisions for new electric transmission facilities are duplicative and unnecessary. The commission is in the best position to hold public hearings and perform an objective review of new electric transmission facilities that considers the impacts upon all North Dakota customers.

The needs of our modern society require more and more electricity, particularly as we look to add new industrial, agricultural, and data facilities in North Dakota. Additional electric transmission is necessary to move electricity from where it is generated to where it will be consumed, and the commission is in the best position to ensure that this occurs in a reliable and cost-effective manner.

Therefore, we urge a DO PASS recommendation on House Bill 1258. With that Chairman Patten, I thank you and the committee members for your time and consideration. At this time, I am happy to stand for any questions.