

Chairman Patten, members of the committee, on behalf of the Energy & Environmental Research Center (EERC), thank you for this opportunity to provide comment on House Bill 1459. As a leading developer of technologies to advance optimization of our energy resources and address environmental challenges, the EERC has been engaged in identifying our state and regional Rare Earth Element (REE) and Critical Mineral (CM) resources and opportunity for production of these important materials.

The EERC is currently involved in several efforts to advance domestic REE and CM development. The EERC recently completed its work under Phase I of the U.S. Department of Energy's (DOE) Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative. The EERC led this phase to identify and characterize REE/CM availability in coal throughout the Williston Basin. Those findings identified several deposits, including embedded within and part of coal, throughout North Dakota for potential REE/CM availability that meets or exceeds the DOE's threshold of 300 parts per million for economic recovery of REE and CM.

The EERC is excited to continue this work under Phase II of the CORE-CM Initiative that was awarded this past fall. Phase II will continue to build on Phase I's findings to enhance and transform the use of coal and coal-based resources within the Williston Basin and throughout a broader region of the western and central United States, in partnership with the University of Wyoming and North Dakota coal producers. Work completed under this phase will include a regional resource assessment, collect additional field data and expand beyond coal-related sources, address infrastructure and permitting on a regional-scale, and assist with the development of a potential technology innovation center(s) in the region. The technology innovation center is a proposed space where technology developers can join with entrepreneurs, startups, and established businesses to formulate ideas and receive assistance to accelerate the development of a REE/CM supply chain.

Concurrent with the work being done under the CORE-CM Initiative, the EERC through the State Energy Research Center, and in partnership with the North Dakota Geological Survey (NDGS), is working to complete a legislatively-directed study to sample and further characterize in-state deposits of REE and CM. To-date, the EERC and NDGS have collected over 100 samples of alternative sources of REE/CM, including produced water, clays, fly ash, and coal from the MHA Nation. This study will also include a business case analysis for the production and processing of North Dakota REE/CM resources.

These collective efforts, along with the work being performed by the University of North Dakota College of Engineering & Mines to develop extraction and processing technology, is positioning North Dakota as a leader for domestic production and processing of REE and CM. Given the ever-increasing importance of REE/CM in nearly every sector of our economy, and critical technology for national defense, the development of this value chain is essential for economic and national security. Our findings so far indicate that REE/CM production can enhance North Dakota coal production, enable new extractive industry and commercial ventures, and create associated economic benefits for all North Dakotans. In addition, these efforts can help fulfill the directives of recent Presidential Executive Orders, including Declaring a National Energy Emergency (signed January 20, 2025), Unleashing American Energy (signed January 20, 2025), and Immediate Measures to Increase American Mineral Production (signed March 20, 2025).

While research and development continues to prove out the feasibility of REE/CM production, as with any economic sector, advancement of this emerging opportunity will depend on policy certainty and a consistent regulatory environment. We appreciate the legislature's efforts to advance REE/CM development in North Dakota and implement the statutory framework needed to enable its success. Thank you again for this opportunity to provide comments on this important issue.