

1 Chairman Todd Porter & members of the committee, my name is Scott Skokos and I am
2 testifying on behalf of Dakota Resource Council and our members. Thank you for allowing me
3 to testify today. I stand here today in opposition of HB 1452 as it is currently written.

4 Dakota Resource Council (DRC) is a non-partisan grassroots group of landowners,
5 ranchers, farmers, and other citizens. A key part of our mission is to promote the sustainable use
6 of North Dakota's natural resources. Naturally, we would be in support of establishing a clean
7 sustainable energy authority in ND. In fact, when we first heard about the idea, we were very
8 excited. Unfortunately, upon reading HB 1452, we are struck with several key failings of the bill.

9 The first major issue is the selection for representation for the seven voting members of
10 the authority. On page 2, lines 8 – 13, HB 1452 outlines who will provide representation, with
11 voting powers, for the clean sustainable energy authority. While there are two members from the
12 lignite research council and oil & gas research council, there is only one member from the
13 renewable energy council. For a clean sustainable energy authority, this seems extremely
14 skewed. We understand that there will be representation from all types of energy, but this seems
15 to be lopsided for a clean sustainable energy authority. We are not opposed to having
16 representation for lignite and oil & gas, however, in addition to the renewable energy council,
17 there should be representation from the solar and wind industries. If the purpose is to truly have
18 clean sustainable energy in ND for the long-term and to reduce the environmental impacts of
19 energy, then we propose the amendment as stated below.

20 The seven voting members consist of:

- 21 a. One member appointed by the legislative management to serve as chairman;
- 22 b. ~~Two~~ One members appointed by the lignite research council;
- 23 c. ~~Two~~ One members appointed by the oil and gas research council;
- 24 d. One member appointed by the renewable energy council;
- 25 e. One member appointed by the western Dakota energy association;
- 26 e. One member appointed by the governor from the solar industry; and
- 27 f. One member appointed by the governor from the wind industry.

28 HB 1452 also does not provide specific requirements on what the funding provided by
29 the authority can be spent on. It only states that it must "reduce environmental impacts of energy
30 production." We would like to see more specific requirements for these grants, loans, and other
31 financial assistance so that the money can be spent wisely. As it is currently written, it appears
32 that the money can be spent on just about anything, no requirements. We believe that this bill
33 should be amended so that at least 50 % of the funding must goes towards non-fossil-fuel energy.
34 Dakota Resource Council believe that there should be more clearly defined requirements for

35 what the money can be spent on. There needs to be specific parameters included. Which leads to
36 our next concern, the lack of transparency.

37 We understand that with innovative technology and research there is sometimes a need
38 for trade secrets and the withholding of confidential information that could jeopardize a project.
39 However, DRC questions the transparency around approving grants and other funding from the
40 clean sustainable energy authority. As it is currently written, companies seeking money from the
41 authority can remain secret forever. We think that the advisory should be transparent with how
42 and to who it grants money. The public should know where the money is going. It should only be
43 in very specific situations that information is sealed, and if that is the case, we believe that this
44 information shouldn't be sealed forever, perhaps a limit of 5-10 years. The information should be
45 released at a certain point and there should also be some methodology included in the bill to
46 unseal information for specific cases in which it is imperative to access that information.

47 Our final major concern can be found on page 4, lines 10-12, where it gives the power to
48 commission to "Accept loan repayments, donations, grants, contributions, or gifts from any
49 public or private source to carry out the purposes of this chapter, which must be deposited in the
50 clean sustainable energy fund." We find the language of "gifts from public or private sources" to
51 be concerning. Can this commission just accept money from any entity? Is that ethical? Can the
52 commission accept gifts from out-of-state interest groups? Will the records of these gifts be
53 publicly available? Again, to our former point, what is this money going to be used for? What
54 are the very specific requirements this money to be spent on? This raises a lot of questions for us
55 around ethics and transparency. We believe in moving North Dakota towards a clean and
56 sustainable future in energy, but HB 1452 misses the mark in several ways.

57 I urge the committee to oppose HB 1452 or amend it to have more appropriate
58 representation, detailed requirements for funding, increased transparency, and clarification on
59 gifts for the clean sustainable energy authority created in HB 1452.

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