

Mr. Chairman, members of the committee, my name is Anna Novak and I am here today to testify in favor of bill 2313 and more specifically, I support the amendments which grant the PSC authority to hold the utilities accountable to ensure the reliability of electricity within the state. I'm representing no group, only myself... but I feel like am representing the over 13,000 people employed by the state's lignite industry as well as their families. I'm from Hazen and have lived in Mercer County the vast majority of my life. My husband Loren and I met while I was living in Bismarck after finishing my college education. But after we were married and started a family, he got a job at a coal mine by Beulah. The 1 ½ hour commute from Bismarck to Beulah proved to be too much for our family so we moved to my old stomping grounds. 8 years later, we have 4 boys, ages 3 to 11. Truly, I am thankful every day that my children get to grow up in a place where their childhoods can still be innocent.

There are 3 coal-fired power plants, 3 coal mines and the Dakota Gasification Synfuels Plant in Mercer County. To say that coal is the lifeblood of our communities is almost minimizing how important it is to all of us back home. And McLean County and Oliver County are no different.

For years, supporters of coal have been warning of blackouts because of overreliance on renewables. With each coal-fired power plant that closed, we would grow more and more concerned about blackouts but we were painted by wind lobbyists and unrealistic environmentalists as people who just didn't care about the earth and "stupid" to not realize how efficient renewables are. But the third week in February was basically a promotional piece put together by nature, making us look and feel like prophets. And I have to hand it to our leaders in North Dakota, because you have seen the value of the coal industry, for the jobs and tax revenue, for a long time. A lot has been done to protect the industry. More recently, there has been concern about ensuring our state has reliable, baseload power. This bill with the amendments is an example of that.

I don't know the inner workings of the Regional Transmission Organizations. But I do know that we are told time and time again that they are reliable and that we don't have to worry about power outages. But California experienced them last fall, Texas experienced them last month, as did many here across our state in the SPP. That is not reliability! The RTO's use policies enacted by the states they represent, they don't make their own rules. But on the opposite end, we are also told that enacting a Baseload Portfolio Standard isn't constitutional, which is baffling to me considering that the state of California has renewable energy mandates in place since 2016. Aside from having opposite goals, how is bill 2313 any different than the renewable mandates that California put into place?

As you know, MISO and SPP are our local RTO's. On February 15, SPP declared a Level 3 energy emergency alert because of extreme cold across the US. In the SPP, the price is typically around \$30 per megawatt. There were times on February 15 and February 16 that they were charging up to \$47,000 per megawatt, when they were experiencing rolling power outages. What I found interesting about those things in particular was that just 2 days prior to the energy debacle last month, there was an article in the Fargo Forum, where possible power outages were discussed. The sponsor of this bill, Senator Wardner, was interviewed for the article and warned of the very power outage scenario we experienced here in ND. However, Carlee McLoud, President of the Utility Shareholders of North Dakota, said in the article that the state's grid is both adequate and reliable for the time being – and worries of rolling brownouts are baseless. Unfortunately, our state experienced rolling power outages across the state

just days after she made that statement. I wouldn't consider a nearly 1600% increase in electricity prices or rolling brownouts in North Dakota adequate or reliable.

As this worst-case scenario was unfolding before my eyes last month, I really started to become scared. Two of North Dakota's coal-fired power plants are either rumored to be or have announced plans to shut down. Coal Country remains hopeful discussions continue on a potential purchase of Coal Creek Station. But there is no certainty there. Rumors circled on February 11 about Leland Old's Station closing after an email was sent to the employees at the plant by another employee. The email said Unit 1 would be shut down in 2025 and Unit 2 would be shut down in 2030. Basin Electric later clarified that they had no immediate plans to close the plant, that it was a misunderstanding because at their January board meeting, they made the decision to accelerate the depreciation of its coal assets and that the "end of depreciated life" for units 1 and 2 didn't determine the useful operation of the plant. I hope and pray Leland Olds is open for years to come. But two things struck me when I read their response. The first is that accelerating depreciation of the assets of the plant is exactly what Great River Energy did with Coal Creek Station a few years before they announced their plans to shut the plant down. And the second thing is that the email wasn't sent from a random employee that was a low man on the totem pole...it was the plant manager. After the tough year those in North Dakota's lignite industry have had, it's hard for us to believe that there is zero truth to the email. I guess only time will tell what happens. But I think everyone in this room understands that the power outages we experienced last month would have been much worse had LOS or Coal Creek Station not been contributing to the grids' power supply.

And I would like to point out that many of the utilities' boards of directors are made up of out-of-state people. For instance, according to their most recent annual report, Basin Electric has eleven board members, but only one of them lives in North Dakota. According to MDU's most recent annual report, two of their ten board members reside in North Dakota. And Great River Energy has nobody from North Dakota on their board of directors. These are the people that make the call to close a coal-fired power plant that would put hundreds of our citizens out of work and devastate our small communities in North Dakota. That's a lot of power for a handful of people that don't even live in our state to have over the 13,000 North Dakotans employed by the lignite industry.

I watched much of the joint hearing on grid reliability last week. While I appreciated the fact that the grids and utilities took the time to address the power outages we experienced in February, it came across that both of them were just kind of throwing up their hands and saying "it wasn't our fault", and that it was a result of the cold weather experienced in Texas and the other southern states that were a part of the SPP. My initial reaction was thinking if it isn't their fault, who's fault is it exactly? Until we have legislation like 2313 with these new amendments, which will hold one of them accountable, that will continue to be their response when this happens again and again. But this bill says that North Dakota both values its baseload resources and needs to make sure they continue to be available, by valuing them more fairly. With possible fines, it will prevent the utilities from wanting to take a chance of becoming over-reliant on renewable energy sources.

The utilities and RTO's are not the enemy here and I am certainly not trying to make them out to be so. I want to be clear in saying that I am thankful for their services and am grateful to have electricity. I have many friends and family that work for the utilities in particular and they are good employers.

What is going on with the grid was not intentional. My point is that they ALL have said that there is nothing to worry about in terms of grid reliability and that power outages will not happen. But we have seen evidence just last month that it can and does happen. And these will occur more frequently the more baseload power sources go offline because there is a saturation in the energy market because of renewables. These organizations are driven by government subsidies and profits, because they are businesses...and at the end of the day, they aim to reduce their costs and make money. Their focus is not about keeping good paying jobs in North Dakota, the well-being of our state's economy, and making sure North Dakotans are protected from political decisions made by the boards at the utilities in other states...that is our state legislature's job.

I am here today – a life-long resident of North Dakota, a mother of four choosing to raise my family here, the wife and daughter of a coal miner, and community member that knows my town will be devastated if we don't take action. Please, don't accept business as usual when it comes to how utilities are operating. As the market changes, the regulations must change too. Our policy makers – all of you – need to make clear North Dakota wants to keep our baseload power operational. Don't take away our way of life by inaction. Don't make North Dakotans pay unreasonably high power rates, sacrificing our people, our families and our communities all to serve other states' mandates and federal policies. We need leadership from all of you, standing strong in the face of uncertainty. Please – do what you know is right for our citizens and vote to keep what we've already built – affordable, reliable electricity powered by coal.

And with that, I'll stand for questions.