

1 Chairman Holmberg & members of the committee, my name is Scott Skokos and I am testifying on  
2 behalf of Dakota Resource Council and our members. Thank you for allowing me to testify today in  
3 opposition of HB 1431.

4 Dakota Resource Council (DRC) is a non-partisan grassroots group of landowners, ranchers, farmers, and  
5 other citizens. We were founded to watchdog over energy policies that impact family farms and ranches.  
6 We stand here today in opposition to HB 1431 because HB 1431 is, in our view, a misuse of Legacy Fund  
7 earnings as it gives \$250,000,000 to a fund represented by special interest groups without transparency.  
8 These bonding loans to the “clean sustainable energy fund” are overseen by the yet to be created “Clean  
9 Sustainable Energy Authority” which has no voting representation from the wind or solar industries. The  
10 Legacy Fund was created to support North Dakota once the coal, oil, and gas industry revenue runs out,  
11 not to prop up industries in decline. In 2013, a stakeholder group consisting of elected officials and  
12 citizens of all political spectrums met to discuss the best ways to use the Legacy Fund. The group  
13 ultimately concluded that the Legacy Fund should be used conservatively in the following manner:  
14 *allocate 25 percent of annual Legacy Fund earnings from 2017 through 2039 to bold and visionary*  
15 *purposes that build a bridge to a future.*<sup>1</sup> In our view, using Legacy Fund dollars to prop up the declining  
16 coal industry (the likely recipient of much of this funding) is neither bold nor visionary or a bridge to the  
17 future. This is in addition to this funding is being used a bailout to the coal industry. We believe this use  
18 of the Legacy Fund earnings is unwise and fiscally irresponsible. We oppose the \$250,000,000 to the  
19 “clean sustainable energy fund” because it is not the intention for the Legacy Fund. This fund is throwing  
20 public monies towards expensive, high-risk projects that will raise the cost of electricity long-term,  
21 moving us backward rather than forward.

22 The other issue we have with this bill is that these bonding loans go to an Authority without transparency.  
23 Taxpayers deserve to know what public monies are being spent on. This funding proposed in HB 1431 to  
24 the “clean sustainable energy fund” which is overseen by the “Clean Sustainable Energy Authority”. This  
25 Authority would not be subject to the same scrutiny as other funds because of fears over trade secrets and  
26 industry competition. This fund is essentially a black hole for public monies. Banks and investors are  
27 steering clear of coal investments and loans due to risk, so why should we give Legacy Fund to those  
28 investments? In our view, it is not good for the government to provide millions of dollars to various funds  
29 without the public having the ability to properly scrutinize the use of the money.

30 Lastly, in our view, a more appropriate use of the Legacy Fund dollars would be to direct it towards an  
31 equitable transition for communities that are reliant on coal and people working in the coal industry  
32 through retraining, economic diversification, community development, and transition planning as experts  
33 around the country recommend.

34 In conclusion HB 1431 is a bill that allows the misuse of legacy fund dollars without transparency. As a  
35 result, we urge the committee to oppose HB 1431 and recommend a DO NOT PASS on HB 1431.

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<sup>1</sup> 1 [https://www.betterenergy.org/wp-content/uploads/2018/03/North\\_Dakota\\_Legacy\\_Fund\\_Recommendations.pdf](https://www.betterenergy.org/wp-content/uploads/2018/03/North_Dakota_Legacy_Fund_Recommendations.pdf) pg. 5