

Testimony of Dakota Resource Council
House Bill 1452
April 4th, 2021

1 Chairman Holmberg & members of the committee, my name is Janessa Thompson (#1033) and I am
2 testifying on behalf of Dakota Resource Council and our members. Thank you for allowing me to testify
3 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, ranchers, farmers, and
5 other citizens. A key part of our mission is to promote the sustainable use of North Dakota's natural
6 resources. When we first heard of the idea of establishing a "clean sustainable energy authority" we
7 thought we would be in support of it. Unfortunately, upon reading HB 1452, it appears from our view to
8 be more of an Authority to provide funding to special interest groups without transparency. It appears that
9 the industrial commission has significant power to give recommendations. There is no voting
10 representation from the wind, solar, or other renewable energy sectors. Also, this bill focuses in on
11 reliability, yet batteries are not included in the items to be funded language. Batteries provide reliability to
12 the grid and will play a significant role in grid reliability in the future.

13 The first major issue is the representation for the eight voting members of the authority. On page 5, lines
14 4-9, HB 1452 outlines who will provide representation, with voting powers, for the clean sustainable
15 energy authority. This "Clean Sustainable Energy Authority" lacks representation for all types of energy,
16 including wind, solar, and other renewable energy industries. While there is two voting members from the
17 renewable energy council, it is important to note that the renewable energy council also does not contain
18 any representation from wind, solar, or other renewable energy sectors. For a "clean sustainable energy
19 authority", this appears to be more of a special interest slush fund. We are not opposed to having
20 representation for lignite and oil & gas, however, in addition to the renewable energy council, there
21 should be representation from the solar, wind, and other renewable industries. This Authority, and
22 allocated funding, does not even try to hide that it does not want "all-of-the-above" that is frequently
23 touted by the state publicly.

24 On page 3, lines 11 – 29 in the bill is where the commission is given powers to make recommendations to
25 the Authority. "The commission may identify and make recommendations to the clean sustainable energy
26 authority on technologies related to low - emission advancements..." Commission is defined as the
27 industrial commission on page 4, line 17. This is giving vast powers to the industrial commission to make
28 recommendations to dole out millions of dollars in public monies and Legacy Fund earnings with very
29 little oversight and in a way that will lack transparency as to where all that money is going.

30 On page 8, beginning on line 8 is where we have issues with the transparency in the bill. We understand
31 that with innovative technology/research there are trade secrets and the sharing of confidential
32 information that could jeopardize a project. However, DRC questions the confidentiality around
33 approving grants and other funding from the clean sustainable energy authority. As it is currently written,
34 companies seeking money from the Authority can remain secret forever. We do not believe this to be
35 ethical and there should be some process to unseal after a set period of time. In addition on page 8, lines 9
36 -15 it states "To the extent the commission or authority determines the materials or data consist of trade
37 secrets or commercial, financial, or proprietary information of individuals or entities applying to or
38 contracting with the commission or receiving commission services under this chapter, materials and data
39 submitted to, made by, or received by the commission or authority, are not public records subject to
40 section 44 - 04 - 18 and section 6 of article XI of the Constitution of North Dakota, and are subject to
41 section 44 - 04 - 18.4." In our view, this gives the commission and Authority basically a free pass to
42 determine projects and funding that are not going to be subject to public records laws. Again, the public

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43 deserves to know where their money is going and ability the scrutinize it, especially when millions of
44 dollars in Legacy Fund earnings are being funneled to this Authority. The lack of transparency in this bill
45 essentially creates a blackhole for public monies.

46 We believe in moving North Dakota towards a clean and sustainable future in energy is a worthy goal, but
47 HB 1452 misses the mark in several ways as stated above. Carbon capture technologies for coal, the
48 likely recipient of a large portion of this funding, have been tried around the world and failed both
49 technically and economically.¹ Petra Nova was a carbon capture project in Texas that was recently
50 mothballed as they were not able to capture anywhere close to the projected capture and so were
51 disqualified from the 45Q tax credits.² Proposed projects in ND (like Project Tundra) are modeled after
52 Petra Nova and are similarly anticipated to fail.³ Instead of funding expensive, high-risk projects and
53 bailing out a dying industry with tax dollars, we should be investing in economic diversification,
54 transition planning, community development, and retraining programs for people working in the coal
55 industry and for communities who are reliant on coal today.

56 I urge the committee to oppose HB 1452 or amend it to have more appropriate representation, increased
57 transparency, and inclusion of battery projects. We urge the committee to recommend a **DO NOT PASS**
58 on HB 1452.

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¹ <http://www.worc.org/carbon-capture-sequestration-report/>

² https://ieefa.org/wp-content/uploads/2020/08/Petra-Nova-Mothballing-Post-Mortem_August-2020.pdf

³ https://ieefa.org/wp-content/uploads/2020/09/Project-Tundra_A-Step-in-the-Wrong-Direction_September-2020.pdf