

Chairman Holmberg and members of the Appropriation Committee, for the record I'm Glenn Bosch and I represent Bismarck's District 30.

I'm here today to introduce House Bill 1452.

HB-1452 establishes a Clean Sustainable Energy Authority for the purpose of supporting research and implementation of 21<sup>st</sup> century technologies and to advance low emissions, minimal footprint energy production in ND.

HB1452 develops a framework for the state acting in partnership with private industry to bring new and emerging technologies into commercial use while also updating the state's energy priorities, goals, and initiatives.

Before walking through of the bill, I'd like to draw your attention to the definition section of the bill on page 4, as two words (clean and sustainable) may be the most important part of what we are considering today, as they frame the challenges and opportunities that are in front of our states energy industry. Clean as defined is the reality that marketplace, other states, and the federal government want and in some cases are requiring reduced emission energy. Today, our energy producers recognize that for their long-term viability, they need to produce what the markets are asking for.

Reading the definition of sustainable you'll see words like, energy and national security, affordability, reliability, and resilience. If we spoke to people of Texas who spent last month without heat, with frozen water pipes, standing in line to fill a water jug or propane tank, I'm confident that they'd take all the sustainable energy we could produce. These events make it clear, that as policy makers we must support developing technologies that ensure this scenario doesn't happen in ND.

As we walk through the bill, please note that as amendments have been added, sections have moved, and for clarity, I'm going to address the sections out of sequence.

So, starting with Section 3 the bill, we create the Authority which is modeled after existing authorities under the ND Industrial Commission and establishes its membership from representatives of oil, gas, lignite, and renewal energy. It also establishes that nonvoting technical advisors would evaluate proposed projects to determine the technical merits and feasibility of any application, including

potential benefits of the development of the technology, and the contribution it makes to the economic diversity of the state.

Section 2 focuses on the Empower Commission and directs the Commission to be a resource available to the clean sustainable energy authority and for Empower to make recommendations on low-emission technology advancements in the state. These recommendations must include both environmental and economic benefits to the citizens of North Dakota. The recommendations also may consider other factors, including how environmental, social, and governance policies effect both financial and capital markets.

Section 1 of the bill amends what currently is known 25x25 initiative. Ten years ago, the 25x25 initiative was established with the goal that by no later than 2025, 25% of all the energy produced in the United States would come from renewable energy sources. Today that goal is achieved. The new language focuses the state of ND on the advancements of low emission technology and defines that low emission can be any energy source that benefits from energy efficiency initiatives and also benefits the state's economy and communities, including biofuels, wind, solar, coal, oil, natural gas, hydrogen, and carbon sequestration.

Section 5 of the bill provides for a \$40M transfer from the General Fund to newly established Clean Sustainable Energy Fund and directs the authorities board to make recommendations to the Industrial Commission for grants, loans, or other financial assistance that supports the commercialization of large-scale projects and processes that enhance the advancement of low-emission sustainable technologies. It also requires the authority to report to legislative management the financial impact on state revenues and economy.

Lastly, in the Senate Energy and Natural Resources committee language was added that bond proceeds deposit into the fund must be used for loans and loan guarantees.

With that, Chairman and committee members I hope you will give this important legislation your favorable consideration and I'll stand for questions.