

1 Chairman Curt Kreun & 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, ranchers,  
5 farmers, and other citizens. A key part of our mission is to promote the sustainable use of North  
6 Dakota's natural resources. Naturally, we would be in support of establishing a clean sustainable  
7 energy authority in ND. In fact, when we first heard about the idea, we were very excited.  
8 Unfortunately, upon reading HB 1452, it appears to be more of an Authority to provide funding  
9 to special interest groups.

10 The first major issue is the selection for representation for the seven voting members of the  
11 authority. On page 4, lines 25-30, HB 1452 outlines who will provide representation, with voting  
12 powers, for the clean sustainable energy authority. This "Clean Sustainable Energy Authority"  
13 lacks equal representation for all types of energy, including wind and solar industries. While  
14 there are two members from the lignite research council and oil & gas research council, there is  
15 only two voting members from the renewable energy council. There is no representation from  
16 the wind or solar industries. For a clean sustainable energy authority, this appears to be more of a  
17 special interest slush fund. We are not opposed to having representation for lignite and oil & gas,  
18 however, in addition to the renewable energy council, there should be representation from the  
19 solar and wind industries. If the purpose is to truly have clean sustainable energy in ND for the  
20 long-term and to reduce the environmental impacts of energy, then we must continue with a true  
21 "all-of-the-above" strategy.

22 HB 1452 also does not provide specific requirements on what the funding provided by the  
23 authority can be spent on and completely lacks transparency. It only states that it must "reduce  
24 environmental impacts of energy production." We would like to see more specific requirements  
25 for these grants, loans, and other financial assistance so that the money can be spent wisely. As it  
26 is currently written, it appears that the money can be spent on just about anything, no  
27 requirements. This Authority is being proposed is going to be funded with public monies and  
28 taxpayers deserve to know where their money is going. The lack of transparency in this bill  
29 essentially creates a blackhole for public monies. Dakota Resource Council believes that there  
30 should be more clearly defined requirements for what the money can be spent on. There needs to  
31 be specific parameters included.

32 We understand that with innovative technology and research there are trade secrets and the  
33 sharing of confidential information that could jeopardize a project. However, DRC questions the  
34 confidentiality around approving grants and other funding from the clean sustainable energy  
35 authority. As it is currently written, companies seeking money from the authority can remain  
36 secret forever. We think that the advisory should be transparent with how and to who it grants  
37 money. Again, the public should know where the money is going. It should only be in very  
38 specific situations that information is sealed, and if that is the case, we believe that this  
39 information shouldn't be sealed forever, perhaps a limit of 5-10 years. The information should be

40 released at a certain point and there should also be some methodology included in the bill to  
41 unseal information for specific cases in which it is imperative to access that information.

42 On page 3, line 4 this bill strikes “which time interested parties may present testimony” in  
43 exchange for “in coordination with the state energy research center and allow public input from  
44 invited national and regional leaders and interested persons.” Citizens of ND and interested  
45 parties should be able to provide testimony on the state’s comprehensive energy policy. We are  
46 concerned with this language change which changes it to invited people who are interested. We  
47 believe that having the public input by invitation makes this bill not contain a true public hearing  
48 process which is problematic.

49 Another concern can be found on page 6, lines 27-29, where it gives the power to commission to  
50 “Accept loan repayments, donations, grants, contributions, or gifts from any public or private  
51 source to carry out the purposes of this chapter, which must be deposited in the clean sustainable  
52 energy fund.” We find the language of “gifts from public or private sources” to be concerning.  
53 Can this commission just accept money from any entity? Is that ethical? Can the commission  
54 accept gifts from out-of-state interest groups? Will the records of these gifts be publicly  
55 available? Again, to our former point on transparency, what is this money going to be used for?  
56 Where are the assurances that this money will indeed go towards “affordable, reliable, and  
57 sustainable energy for the benefit of the state's economy and communities” as stated in the bill.  
58 We have found that what is considered affordable, reliable, and sustainable varies based on who  
59 you talk to, how is the state legislature going to ensure that these decisions are made objectively  
60 based on facts? We believe in moving North Dakota towards a clean and sustainable future in  
61 energy, but HB 1452 misses the mark in several ways. Carbon capture technologies, the likely  
62 recipient of a large portion of this funding, have been tried around the world and failed both  
63 technically and economically.<sup>1</sup> Instead of funding expensive, high-risk projects and bailing out a  
64 dying industry with tax dollars, we should be investing in economic diversification, transition  
65 planning, community development, and retraining programs for people working in the coal  
66 industry and for communities who are reliant on coal today.

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

70

---

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