



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Monday, August 7, 2023
Red River Assembly Room
Coal Creek Station, 2875 Third Street SW
Underwood, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 9:40 a.m.

Members present: Senators David Hogue, Brad Bekkedahl, Keith Boehm, Ryan Braunberger, Dale Patten, Merrill Piepkorn; Representatives Dick Anderson, Corey Mock, Todd Porter, Don Vigesaa

Members absent: Representatives Mike Brandenburg and Alisa Mitskog

Others present: Representative Bill Tveit, Hazen
See [Appendix A](#) for additional persons present.

Ms. Samantha E. Kramer, Senior Counsel and Assistant Code Revisor, Legislative Council, presented a memorandum entitled [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

COMPREHENSIVE STATEWIDE ENERGY POLICY

Ms. Kramer presented a memorandum entitled [Comprehensive Energy Policy Study - Background Memorandum](#).

Mr. Stacy Tschider, President, Rainbow Energy Center, provided testimony ([Appendix B](#)) relating to Rainbow Energy Center's vision of the future of Coal Creek Station and the successful operation of a coal plant in a low-carbon world. He noted:

- Rainbow Energy Center is an independent power producer and the state's most efficient power plant with 600-700 employees and an estimated annual fiscal impact to the state of \$1.5 billion.
- The Nexus Line Transmission System is a high-voltage, direct current line extending 436 miles between North Dakota and Minnesota with 99.5 percent availability. The system brings value to Coal Creek Station by delivering electricity from Coal Creek Station to Minnesota, serving 1.7 million people each day, and relieving transmission congestion in the state.
- Rainbow Energy Center's vision includes optimizing operational efficiencies, maximizing power delivery, generating renewable energy through Discovery Wind, and expanding carbon capture technology.
- Rainbow Energy Center has not experienced any negative impacts from environmental and social governance policies from banks or other entities outside the state.

Mr. Claire Vigesaa, Executive Director, North Dakota Transmission Authority, provided testimony ([Appendix C](#)) relating to Transmission Authority studies on the impact of the Environmental Protection Agency's (EPA's) regulations on the resource adequacy of the Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP) grids. He noted:

- Reliance on a wind impacted reserve source for electricity is very dangerous because often at the same time the peak load is needed, wind production is at its lowest.
- Midcontinent Independent System Operator and SPP do not have control over resource choices because some states have mandates that affect a utility's choice of resources and energy markets favor the lowest-cost resource causing subsidized resources to be selected to operate first.

- The transmission capacity needed to transport energy to the market, especially from dispersed renewable energy locations, is insufficient and capacity markets have been ineffective in encouraging additional capacity.
- A significant investment in transmission capacity in the state will be needed, together with investments in low- or negative-carbon technologies, to allow the state to continue as a leader in the energy industry.

Mr. Brian Tulloh, Executive Director, External Affairs, Midcontinent Independent System Operator, provided testimony ([Appendix D](#)) regarding the impact the EPA and other external sources have on generation resources. He noted:

- Midcontinent Independent System Operator's resource adequacy construct is evolving to ensure continued reliability under a changing risk profile driven by the resource fleet transition and MISO anticipates significant resource additions, retirements, and load growth with a trend toward increasing renewables over the next several years.
- Midcontinent Independent System Operator's reliability imperative guides the transformation needed to maintain reliability for the future of the grid.
- Midcontinent Independent System Operator's first season planning resource auction demonstrated sufficient capacity for all regions and zones for the entire year and results of the 2023 Organization of MISO States survey reinforced the need for continued reforms to MISO's resource adequacy construct to manage portfolio transition.
- Demand growth is projected to continue for 5 years across all four seasons at 0.8 gigawatts or .68 percent per year on average.

Ms. Natasha Henderson, Director of System Planning, Southwest Power Pool, provided testimony ([Appendix E](#)) regarding the impact the EPA and other external pressures have on generation resources. She noted:

- Resource adequacy challenges include an influx of intermittent renewable generation, thermal generation retirements, resource underperformance and unavailability, increasing load volatility, extreme weather events, and shrinking margins.
- Southwest Power Pool's resource and energy assurance leadership team assesses the resource adequacy construct, challenges from resource mix changes, extreme weather, increased demand, and evolving consumer behavior of system operators while providing guidance, prioritization, and policy recommendations to ensure continuous and cost-effective energy supply within the SPP balancing authority area.
- The Federal Energy Regulatory Commission mandates SPP to ensure reliable power supplies, adequate transmission infrastructure, and competitive wholesale electricity prices.
- Southwest Power Pool's integrated marketplace combined efficient and economic day-ahead, real-time, and transmission markets to save \$2.3 billion during 2022.

No further business appearing, Chairman Hogue adjourned the meeting at 2:45 p.m.*

*Upon adjournment of the meeting, the committee, press, and members of the public participated in a tour of Coal Creek Station.

Samantha E. Kramer
Senior Counsel and Assistant Code Revisor

ATTACH:5