North Dakota Legislative Management Meeting Minutes 25.5114.03000

ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Wednesday, April 10, 2024 Roughrider Room, State Capitol Bismarck, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 8:04 a.m.

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

Members absent: None

Others present: Governor Doug Burgum; David Glatt, Department of Environmental Quality; Lynn Helms, Department of Mineral Resources; Julie Pierce, ALLETE, Inc.; Pam Gorman Prochaska, Tony Grindberg, and Alex Nisbet, Xcel Energy; Rich Garman, Department of Commerce; Ladd Erickson, McLean County; Brent Bogar, Williston; Stephanie Weir, Battelle Energy Alliance LLC; Josh Fisher, Alliance for Automotive Innovation, Curtis Jundt and Jeff Jennings, Bismarck

See Appendix A for additional persons present.

*Attended remotely

It was moved by Representative Mock, seconded by Senator Braunberger, and carried on a voice vote that the minutes of the December 18, 2023, meeting be approved as distributed.

Governor Doug Burgum provided an update regarding the proposed federal rules and regulations of the Environmental Protection Agency (EPA). He noted:

- The state is tracking over 30 proposed rules and regulations threatening industries related to agriculture, baseload energy, and oil and gas.
- The state has a sovereign interest and responsibility in developing resources for its citizens and a commercial responsibility in providing energy to citizens throughout the Midwest.
- If these challenges continue, the Attorney General will need additional funding and resources to contest the federal rules and regulations impacting the state.

Mr. David Glatt, Director, Department of Environmental Quality, provided testimony (<u>Appendix B</u>) regarding the proposed federal rules and regulations of the EPA. He noted:

- The department has primary responsibility for many of the environmental programs in the state.
- The proposed federal rules and regulations are illegal, fail to follow science, and seek to shut down the coal-fired power industry.
- The rate at which new federal rules and regulations are being proposed is unprecedented.
- North Dakota industries continue to be attacked despite the state having some of the cleanest air in the country.

In response to questions from committee members, Mr. Glatt noted the United States should be opposed to shutting down coal-fired energy facilities and strive to be a world leader in developing clean coal technologies.

Mr. Lynn Helms, Director, Department of Mineral Resources, provided testimony (<u>Appendix C</u>) regarding the proposed federal rules and regulations of the EPA and testimony (<u>Appendix D</u>) regarding carbon sequestration and the potential use of carbon dioxide in the state.

Ms. Julie Pierce, Vice President of Strategy and Planning, ALLETE, Inc., provided testimony (<u>Appendix E</u>) regarding energy infrastructure in the state. She noted:

- ALLETE, Inc., and Minnesota Power are updating the 460-mile Square Butte transmission line connecting North Dakota to Minnesota to expand transfer capacity from 550 to 900 megawatts.
- The estimated project cost is \$1 billion.
- ALLETE, Inc., and Grid United have partnered to develop a new energy transmission corridor to connect Montana to North Dakota and increase the reliability and resilience of the Upper Midwest power grids.

Ms. Pam Gorman Prochaska, General Manager, Nuclear Fleet Operations, Xcel Energy, provided testimony (Appendix F) regarding the existing fleet of nuclear energy facilities in Minnesota and the future of advanced nuclear energy.

In response to questions from committee members, Mr. Tony Grindberg, North Dakota Principal Manager, and Mr. Alex Nisbet, Regulatory Policy Specialist, Xcel Energy, noted:

- The Minnesota Public Utilities Commission approved Xcel Energy to transition from coal-fired power plants by 2030.
- Xcel Energy's North Dakota resource plan projects a .9 percent increase to consumer energy rates.

Mr. Rich Garman, Director, Economic Development and Finance, Department of Commerce, provided testimony (<u>Appendix G</u>) regarding the future of nuclear energy and the current demand for baseload power in the state. He noted:

- The demand for baseload power in the state has increased dramatically.
- Coal-fired power plants in the United States typically are decommissioned after 47 years of operation.
- The average age of the baseload power fleet in North Dakota is 48.2 years.
- In 2023, overall energy generation in the state was down 9.1 percent from previous years, while energy consumption rose 12.8 percent.
- Only 30 percent of the energy produced in 2023 is projected to be exported.

Mr. Ladd Erickson, McLean County State's Attorney, provided testimony (<u>Appendix H</u>) regarding the necessity of a state carbon dioxide policy for North Dakota.

Mr. Brent Bogar, Williston, provided comments regarding state investments and deployment of a state carbon dioxide policy.

Mr. Austin Gunderson, Counsel, Legislative Council, presented memorandums entitled <u>Electric Vehicles Study</u> - <u>Background Memorandum</u> and <u>Federal Nuclear Regulations</u>.

Ms. Stephanie Weir, National Technical Director for Nuclear Waste Consent-Based Siting, Battelle Energy Alliance LLC, provided testimony (Appendix I) regarding the feasibility of advanced nuclear energy development. She noted:

- Advanced nuclear energy facilities can vary depending on size, fuel type, and cooling mechanism.
- Small and micromodular reactors are a great resource for smaller communities and enhance existing sources of fossil fuel energy.
- In 2024, 124 legislative measures regarding advanced nuclear energy feasibility studies and working groups were proposed nationwide.

Mr. Josh Fisher, Senior Director, State Affairs, Alliance for Automotive Innovation, provided testimony (Appendix J) regarding the assessment of fees to offset reductions in motor fuel tax revenues.

The committee received public comments from Mr. Duane Sand, Mr. Curtis Jundt, and Mr. Jeff Jennings, Bismarck, regarding their experience with nuclear energy and carbon dioxide.

No further business appearing, Chairman Hogue adjourned the meeting at 3:30 p.m.

Austin Gunderson Counsel ATTACH:10