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: <u>Tony Grindberg</u>, <u>Xcel Energy</u>; and Alex Nesben, Xcel Energy; <u>Brent Bogar</u>, <u>Williston</u>; <u>Curtis Jundt</u>, <u>Bismarck</u>; and <u>Jeff Jennings</u>, <u>Bismarck</u>

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 years4 another four, 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 (Appendix B) 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 are proposed seek to shut
 down the coal fire power industry.
- The federally rate at which new federal rules and regulations are being proposed rules and regulations are a
 never-before-seen level of activity is unprecedented.
- North Dakota industries continue to be attacked despite the state enjoying having some of the cleanest air
 in the country.

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

Mr. Lynn Helms, Director, Department of Mineral Resources, provided testimony (Appendix C) regarding the proposed federal rules and regulations of the EPA and provided testimony (Appendix D) 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 (Appendix E) regarding energy infrastructure through North Dakotain the state. She noted:

- ALLETE, Inc., and Minnesota Power are in the process of 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 are partnered in development of 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, Xeel Energy, and Mr. Alex Grindberg, Regulatory Policy Specialist, Xcel Energy, noted:

- was approved by theXcel Energy The Minnesota Public Utilities Commission approved Xcel Energy to transition away from coal fire 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 (Appendix G) 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 are typically are decommissioned at after 47 years of age and operation.
- +The average age of the baseload power fleet in North Dakota is 48.2 years of age.
- 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 (Appendix H) regarding the necessity of a state carbon dioxide policy for North Dakota.

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

Mr. Austin Gunderson, Counsel, Legislative Council, presented memorandums entitled *Electric Vehicle Study - Background Memorandum* and *Federal Nuclear Regulations*.

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

- Advanced nuclear energy <u>facilities</u> can vary depending on size, fuel <u>type</u>, and cooling <u>types</u>mechanism.
- Small and micromodular reactors are a great resource for smaller communities and enhance existing sources of fossil fuel energy.

• In <u>ealendar year 2024</u>, <u>a total of 124</u> legislative measures <u>have been proposed across the country</u> regarding <u>advanced nuclear energy</u> feasibility studies and working groups <u>relating to advanced nuclear energy</u> 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 the following interested persons Mr. Duane Sand, Mr. Curtis Jund, and Mr. Jeff Jennings, Bismarck, regarding their experience with nuclear energy and carbon dioxide.—Bismarck

- Mr. Jeff Jennings; and
- · Mr. Curtis Jund, Bismarck;, Bismarck:
- Mr. Duane Sand.

ATTACH:

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

Austin Gunderson	
Counsel	