



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Wednesday and Thursday, June 12-13, 2024

Discovery Hall, Energy and Environmental Research Center, 15 North 23rd Street
Grand Forks, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 9:05 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, Don Vigesaa

Member absent: Representative Todd Porter

Others present: Representative Anna S. Novak, Hazen Thomas Beadle, State Treasurer; Jon Godfread, Insurance Commissioner; Charles Gorecki, Energy and Environmental Research Center; Blu Hulse, Continental Resources; Jason Weiers, Otter Tail Power Company, See [Appendix A](#) for additional persons present.

It was moved by Representative Mock, seconded by Senator Bekkedahl, and carried on a voice vote that the minutes of the April 10, 2024, meeting be approved as distributed.

ELECTRIC GRID RESILIENCE

Mr. Darcy Neigum, Vice President, Electric Supply, Montana-Dakota Utility Resources Group Inc., provided an update regarding electricity congestion and the effect of data centers on the electric grid. He noted:

- The city of Williston is a high-load growth area lacking adequate transmission to support a data center.
- The Williston data center has caused significant congestion limiting the generation capacity across the entire regional power grid.
- Montana-Dakota Utility Resources filed a complaint with the Federal Energy Regulatory Commission after being charged transmission congestion fees from the Southwest Power Pool and the Midcontinent Independent System Operator, both regional transmission organizations (RTOs).

Mr. Reice Haase, Deputy Executive Director, Industrial Commission, presented information ([Appendix B](#)) regarding the final carbon pollution standards rule from the Environmental Protection Agency. He noted:

- North Dakota is located at the intersection of two RTOs.
- The Industrial Commission is tracking 32 proposed federal regulations that could negatively impact the reliability of the state's electric grid.
- The North Dakota Transmission Authority and the Industrial Commission concluded by year 2029 the Midcontinent Independent System Operator regional grid will not have sufficient power to meet the electrical demand of users.

Mr. Jason Weiers, Transmission Project Development Manager, Otter Tail Power Company, provided an update ([Appendix C](#)) regarding the JETx transmission line.

Mr. Randy Christmann, Public Service Commissioner, presented information ([Appendix D](#)) regarding electric utility rates. He noted:

- The commission does not have the statutory authority to control the siting location of a data center or cryptocurrency facility.

- Transmission congestion fees are controlled by the RTO.
- North Dakota's congestion fees are distributed among all customers within the RTO, and price increases will continue to be determined by the Federal Energy Regulatory Commission.

ENERGY AND ENVIRONMENTAL RESEARCH CENTER

Mr. Charles Gorecki, Chief Executive Officer, Energy and Environmental Research Center, presented an overview and update ([Appendix E](#)) regarding the Energy and Environmental Research Center (EERC). He noted:

- The mission of the EERC is to provide practical, pioneering solutions to the world's energy and environmental challenges.
- The EERC has a multidisciplinary team of specialists in areas of engineering, operations and industrial technology, geology, chemistry, information technology, business and finance, communications and marketing, legal, and other sciences and disciplines.
- The EERC uses several laboratories and demonstration facilities to complete research and advance technology demonstrations for more than 1,300 clients in 53 different countries.
- As of 2023, the EERC has 187 active contracts.

Mr. Tom Erickson, Chief Operations Officer and Vice President for Intellectual Property, Energy and Environmental Research Center, presented a report ([Appendix F](#)) regarding the EERC's activities and accomplishments.

Mr. Brian Kalk, Chief Research Officer, Energy and Environmental Research Center, presented a report ([Appendix G](#)) regarding the status and results of the State Energy Research Center's salt cavern underground energy storage and research project, the State Energy Research Center's study of prospective in-state resources of economically feasible accumulations of critical minerals, and the status of the EERC's study of future lignite electrical generation facilities. He noted:

- The 2021 Legislative Assembly, allocated \$9.5 million in funding to the EERC to evaluate the feasibility of creating caverns for energy storage in the bedded salts of the state.
- The project was completed in June 2023, resulting in the collection and analysis of salt from two of the state's primary salt zones. Results of the core testing and modeling suggested caverns suitable for long-term hydrocarbon gas or liquid storage can be developed; however, the total cost to fully develop a salt cavern for storage likely will exceed \$100 million.
- More than 80 percent of the critical minerals in the United States are imported from China.
- The Williston Basin possesses natural risk-mitigation attributes as a business hub for accumulation of critical minerals. The coal in the region contains concentrations of critical minerals; however, the technology used to extract the critical minerals is costly.

BANK OF NORTH DAKOTA

Mr. Kelvin Hullett, Chief Business Development Officer, Bank of North Dakota; Senator Patten; Representatives Novak and Mitskog; Mr. Blu Hulsey, Senior Vice President, Government Relations and Regulatory Affairs, Continental Resources; Mr. Jon Godfread, Insurance Commissioner; and Mr. Thomas Beadle, State Treasurer, presented a report ([Appendix H](#)) from the Bank of North Dakota regarding the Bank's findings and recommendations for environmental, social, and governance trends, laws, and policies that impact businesses and industries in North Dakota.

Mr. Hullett noted the study:

- Included individuals from the Legislative Assembly, private industries, associations, and state agencies.
- Consisted of eight working groups completing over 80 interviews to address areas of sustainability.
- Focused on the state charting a new course of action by demonstrating how transformation and innovation can thrive in a world focused on carbon management, while not stepping away from its commitment to energy and agriculture.

Senator Patten noted the importance of planning because economic opportunities will increase demands on electricity, roadways, and transportation in the state.

Representative Novak noted economic, social, and governance trends, laws, and policies are having a negative impact on the energy and agriculture industries of the state.

Representative Mitskog noted the importance of the state remaining a leader in energy and agriculture industries as environmental, social, and governance laws become the benchmark for the ethical impacts of businesses. She noted closing the door may not be an option because many premiums require an environmental, social, and governance policy that applies to markets worldwide.

Mr. Godfread noted:

- The state is in a hard market phase in which insurance providers are making less money.
- Insurance should be based on rating risk rather than social governance.
- The state has an opportunity to attract capital investments by leaving economic, social, and governance policies out of the market.

Mr. Beadle noted the subcommittee on investment determined the state's laws opposing economic, social, and governance policy are sufficient and do not require additional legislation for the 2025 legislative session.

OTHER

Chairman Hogue recessed the meeting at 3:39 p.m. and reconvened the meeting on Thursday, June 13, 2024, at 8:30 a.m.

Chairman Hogue recessed the meeting at 8:40 a.m. for attendance at the Energizing North Dakota's Future summit and reconvened the meeting at 11:55 a.m.

No further business appearing, Chairman Hogue adjourned the meeting at 12:00 noon.

Austin Gunderson
Counsel

ATTACH:8