



February 8, 2023

Chairman Headland and House Finance and Taxation Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Bill 1511. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

House Bill 1511 positions our state to be a leader in domestic rare earth and critical mineral production. North Dakota's geology is abundantly blessed with rich mineral deposits that include an 800-year supply of lignite coal which produces around 30 million tons on an annual basis. In addition to its current uses in producing electricity, synthetic natural gas and fertilizer products, North Dakota lignite offers numerous additional value-added opportunities including the key mechanisms that are used in national defense systems such as aircrafts and satellite communications, battery fuel cells, computer hard drives and medical imaging equipment. In addition, there are other uses that are being developed using lignite in home construction materials and aggregates for public roads.

Over the past few years, the Industrial Commission and the Lignite Research Council has been funding multiple projects to develop the extraction processes that result in the production of rare earth and critical minerals. This is a significant opportunity to diversify and expand the production of one of North Dakota's most valuable natural resource commodities. This bill helps bring this important research closer to the commercialization phase by adding tax incentives and to bring global companies who are looking for the right business opportunities in mineral processing to invest in North Dakota's economy.

For these reasons, the Lignite Energy Council supports House Bill 1511 and we respectfully ask that the committee move to give this legislation a "Do Pass" recommendation.

Thank you for your consideration,

Jason Bohrer
President and CEO

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