

October 23, 2023

Testimony for Anna Novak, HB1546

Good afternoon, Mr. Chairman and members of the committee.

For the record, my name is Anna Novak, Representative from District 33. You should have in front of you an amendment to HB1546, which was prepared for me by Legislative Council. I am really amazed by our team up there and how quickly they have been able to get things organized for the special session. I don't think they ever rest! Thank you to the legislative council staff in the room today!

I've had conversations with farmers within the legislature and throughout the state, and it's become obvious to me that they need access to more fertilizer, and that the costs of fertilizer are a real problem for those working in the agriculture industry. As a state, we have a history of reinvesting state funds into our critical industries, and certainly - agriculture is one of those critical industries.

Because of the surplus of state funds derived from the fossil fuels industry specifically, North Dakota is in a good financial position to incentivize the production of fertilizer and help our farmers. I fully support dangling the financial carrot of a grant, forgivable loan or whatever you'd like to call it to spur investment in the state for fertilizer production.

However, I believe we should not discriminate against any feedstock for the production of fertilizer, as the bill currently reads – which is why I'm offering the amendment. The farmers in North Dakota don't necessarily care how fertilizer is produced. So, if it can be produced in a way other than by the electrolysis of water, potentially at a lower cost and a faster turnaround time, it seems to me that this is what is in the best interest of the state as a whole. The Clean Sustainable Energy Authority now can and will vet each project appropriately. I'm not well-versed in the process of electrolysis of water so it's possible that the production of fertilizer using this method might make the most sense. The amendment I'm proposing doesn't exempt that method from applying for funding through the Clean Sustainable Energy Authority. It simply doesn't discriminate against other feedstocks – like coal, natural gas or even nuclear - from being considered. Government should never be in the business of choosing winners and losers, like what was initially proposed.

The amendment I'm proposing also allows the grant or forgivable loan to be used to expand an existing facility. It's a very real possibility that an already existing facility might be able to dramatically increase the fertilizer produced if they receive funds from this program to expand. Sometimes it's cheaper to expand than start from scratch! As a result, our state dollars might go further with an example such as this.

The bills introduced by the ND state legislature typically solve a problem by creating a goal or solution. I believe that we as legislators need to ask ourselves if the goal of this bill is to earmark funds for a specific project OR if it's to get fertilizer to our farmers as quickly and in the most economical way possible. If you agree that it should be the latter, I encourage you to adopt the amendment I'm proposing. With that, I'll stand for any questions. Thank you.