

Testimony of John DiDonato
NextEra Energy
2023 North Dakota Legislature Special Session - Policy Committee
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Introduction

Mr. Chairman and members of the Policy Committee, for the record my name is John DiDonato. I serve as National Vice President, Renewable Development and Origination at NextEra Energy Resources. I have worked on projects in North Dakota for over 20 years, resulting in NextEra's current investment in the state of nearly \$4 billion.

I'd like to thank you for the opportunity to support legislation for a fertilizer manufacturing project in North Dakota through a post-production incentive.

NextEra Energy has corporate goals to advance hydrogen projects. The company has plans to invest \$20 B of capital in a pipeline of hydrogen projects around the country through the end of the decade.

The fertilizer project NextEra is advancing in the state would provide significant benefits to North Dakota agricultural and energy industries.

Project Rationale and Scope:

The project would tap North Dakota's vast surplus electricity resources, which have historically been exported out of the state, representing an untapped economic potential.

Advanced electrolyzer technology is at the project's core, efficiently using electricity to convert water into high-value hydrogen.

Hydrogen production is paired with the synthesis of ammonia from atmospheric nitrogen, serving as a versatile base compound for downstream fertilizer products (potentially including urea and UAN).

The project has garnered significant interest from the agriculture community, electric suppliers and the local community, signaling confidence in its feasibility and potential for economic growth.

Key Points to Highlight:

There are a few key areas that I would like to highlight.

1. Economic Benefits:

The project will provide positive economic benefits including job growth and local investment. The project is expected to create new, well-paying jobs, including dozens of specialist positions, as well as the opportunity to develop local STEM programs. The

project will procure power from North Dakota utility companies or electric co-ops, enabling investment in the grid and providing substantial revenues.

A stable local fertilizer supply will provide price stability and predictability for local agricultural producers leading to economic prosperity within the state.

2. Resiliency and Sustainability:

The project repositions North Dakota as a leader in resilient and sustainable agricultural practices and clean energy, reinforcing its reputation as a forward-thinking state.

3. Power Utilization:

The electric power for the project will be provided by both renewables and electric power produced by North Dakota electric providers. The project will be capable of reducing electric consumption at peak demand times, offering substantial benefits to the state's electric grid, enhancing grid stability and resilience.

Legislative Landscape:

I'd like to describe the legislative history of the bill.

The incentive program for a fertilizer facility was introduced in HB 1369 on January 13, 2023. The bill was referred to House Appropriations. A hearing was held in the House Appropriations Committee on January 23. The House unanimously defeated the bill because legislators decided to move the fertilizer incentive program to the Department of Commerce budget.

The fertilizer incentive program was then moved to HB 1018 – the Department of Commerce budget. The committee hearing was held on the bill on March 17, 2023, in the Senate Appropriations Committee.

It was legislative leadership's decision to then integrate the program into OMB bill. This was a strategic move aimed at harmonizing various legislative considerations.

The legislative decisions made on the path of this program were primarily influenced by broader legislative considerations rather than NextEra Energy's preferences.

Conclusion:

I would request committee support for the proposed legislation for the fertilizer post production incentive program, underlining its potential to stimulate economic growth and invigorate the agricultural sector.

The fertilizer project has the ability to build on North Dakota's position as a leader in energy and establish the State as a leader in the hydrogen economy, offering a sustainable, resilient, and prosperous future.

Thank you for your time and willingness to consider this important program as a potential catalyst for a brighter future for North Dakota.