

**House Energy and Natural Resources Committee
Hearing on HB1315: Factors to be Considered When Evaluating Applications and
Designation for Sites, Corridors, and Routes
February 2, 2023**

Chairman Porter, members of the committee, my name is **Joe Spiekermeier**. I live in **Beulah, ND**. I am writing **in favor** of HB1315 granting the PSC the authority to consider grid reliability in issuing permits for generation sources. Currently, ensuring grid reliability doesn't exist. In all of the national regulatory agencies (FERC/NERC), RTO markets, ISO rules, generating utility policies there is a void when it comes to grid reliability/resiliency. HB1315 will provide the NDPSC the ability to consider reliability when no one else is, even though it is a vital component of grid security.

North Dakota electrical service is primarily provided by two RTO's (MISO and SPP). They each run complex auctions for electricity sales but no entity is responsible for actually having enough power plants available to meet real time demand. MISO and SPP have stated they are policy takers not policy makers. They have no policies for ensuring reliability. Their required accredited capacity policies have proven to be inadequate during times of extreme energy use or greatly reduced generation from renewable sources. In terms of reliability, inside an RTO the buck stops nowhere.

When there isn't enough power to meet demand skyrocketing prices are supposed to provide the incentives for utilities to keep enough baseload plants operational. The increased rate of baseload plant closures continues to prove the markets are not providing enough incentive to ensure reliability.

Across the nation RTO's are falling into the Fatal Trifecta of grid failure.

1. Over-reliance on renewables: Overbuilding cost-distorted, weather dependent, energy-dilute generation, such as wind and solar, which shut off when they want cannot be counted on to supply steady power. Renewable sources are not load following generation and cannot handle the demands of modern society. They always need to be backed up by reliable plants, mostly natural gas. With the push to "electrify everything" the demand for electricity will grow even faster. Many want to believe renewables can do everything and there is always some "expert" willing to say they can, if only enough are built. Statements like that are a good way to be popular but they don't change the facts.
2. Relying on just in time natural gas delivery. Renewables are primarily backed by natural gas which rely on just-in-time fuel deliveries. Natural gas plants do not store fuel on site but gas delivery is frequently interrupted, especially in winter and the natural gas plants may not be able to get the gas they need. Winter storm Uri and ERCOT's disaster proved just-in-time deliveries of gas is a problem.
3. Over reliance on their neighbors. In times of power scarcity RTO's routinely source generation from neighboring organizations. Usually the issues causing power shortages in your grid are also being experienced by your neighbors. Naturally each grid is going to take care of itself first before rescuing their neighbor. If everyone is relying on their neighbor to bail them out and no one in the neighborhood is doing enough to ensure reliability there won't be enough generation for all. Like most difficulties in life personal responsibility is required. During

winter storm Uri a considerable amount of negative press was written about ERCOT not being adequately connected to their neighboring grids. In truth more, connections wouldn't have been able to supply adequate power to ERCOT. Their neighbors SPP and MISO were also suffering through power shortages and buying power from PJM which was supplying as much power to its neighbors as it could. There wasn't enough power to go around regardless of the missing interconnects. The more recent cold snap of December 2022 proved you may not be able to rely on your neighbor to bail you out. SPP, MISO, and PJM were all issuing generation alerts, none of the neighbors had power to spare. What would have happened if demand was only slightly higher in any of the three RTOs? California blackouts every summer also show that your neighbor can only supply so much and grids need to look out for themselves.

If no one entity is ultimately responsible for ensuring grid reliability North Dakota needs to have regulations in place to look out for its citizens. HB1315 is a great starting point to have a regulatory agency consider the impacts to grid stability before continuing down the path of the fatal trifecta. I encourage a "**Do-Pass**" recommendation. Thank you for your consideration.

Respectfully submitted,

Joe Spiekermeier

Beulah, ND