

**Testimony of Mark Bring  
Director of Public Policy and Government Affairs  
Otter Tail Power Company**

**Before the House Energy & Natural Resources Committee  
February 2, 2023**

**Chairman Porter and members of the Committee, my name is Mark Bring and I serve as Director of Public Policy and Government Affairs for Otter Tail Power Company. I have been licensed as an attorney in North Dakota since 1992 and have been employed continuously in the electric industry since 1997. I respectfully submit this testimony regarding our company's opposition to House Bill 1315.**

**Otter Tail Power Company is one of the smallest investor-owned utilities in the nation and is a subsidiary of Otter Tail Corporation, which is traded on the NASDAQ as OTTR. Otter Tail Corporation also owns several manufacturing companies engaged in metal fabricating, custom plastic parts manufacturing, and PVC pipe manufacturing. These non-energy businesses include Northern Pipe Products in Fargo.**

**Otter Tail Power Company is headquartered in Fergus Falls, Minnesota, and provides electricity and energy services to more than 133,000 customers spanning 70,000 square miles in western Minnesota, eastern North Dakota, and northeastern South Dakota. Our service area is predominantly rural and agricultural. By way of example, a median-sized community we serve in North Dakota is Michigan in Nelson County. According to the most recent U.S. Census Bureau statistics, Michigan has a population of 263 people. We serve many towns that are smaller yet, including my hometown of Galesburg in Traill County. The largest North Dakota communities served by our company are Devils Lake, Jamestown, and Wahpeton. Following its incorporation in 1907, our company began serving its very first customer in Wahpeton in 1909.**

**While we are opposed to HB 1315, we want to commend Rep. Novak for her willingness to have a dialogue about the legislation prior to its introduction. Rep. Novak has been very receptive to stakeholder input throughout the legislative process. We recognize the legislation is well-intended and seeks to address concerns shared by constituents in her legislative district. However, we respectfully submit this is not the correct approach to those concerns.**

**HB 1315 would add an additional consideration to the list of considerations that the Public Service Commission must be guided by, pursuant to N.D. Century Code section 49-22-09, in evaluating and designating new electric energy conversion facility sites (i.e., power plants) and electric transmission corridors and routes (i.e., for high-voltage power lines) in applications submitted to the Commission. The additional consideration in HB 1315 would be “[s]ufficient evidence establishing the impact on the reliability, integrity, or resilience of the existing electric supply and distribution system.”**

**On its face, this perhaps doesn’t sound unreasonable. However, there are two primary problems with this approach. First, the new consideration would add an evidentiary standard that is not applicable to any of the existing statutory considerations: “[s]ufficient evidence establishing....” It is not at all clear what constitutes “sufficient evidence,” nor is it logical to create such an evidentiary standard when the existing statutory considerations have no such evidentiary standard. The technical issues associated with the impact of a new generation or transmission asset to the existing electric grid is not a subject matter for which the Public Service Commission and its staff has robust expertise. This would likely contribute to a need to engage a costly consultant and require an administrative law judge to weigh the sufficiency of evidence. This approach is fraught with regulatory uncertainty and potential delay and, therefore, is harmful to new electric energy-related development.**

**More importantly, North Dakota's Energy Conversion and Transmission Facility Act is about minimizing adverse human and environmental impact in the state. This is clear from a plain reading of N.D. Century Code section 49-22-02, which contains the Act's statement of policy. The Act is not about the reliability, integrity, or resilience of the electric grid. Indeed, the electric grid is a complex interconnected network for electricity delivery which, in the case of the Midcontinent Independent System Operator, or MISO, spans 15 U.S. states (including portions of North Dakota) and the Canadian province of Manitoba. This is not an appropriate consideration for the Public Service Commission under the siting act.**

**MISO has a process and technical requirements for interconnecting new electric generation to the grid and the interconnecting entity's obligations associated with doing so, including identifying the transmission network upgrades necessary to interconnect new generation and ensuring the upgrade costs are correctly allocated. Incidentally, MISO also has processes and technical considerations associated with the retirement of existing electric generation assets. These processes and technical considerations, along with important market signals and reforms, are continually undergoing evaluation and revision in a way that is designed to ensure the reliability, integrity, and resilience of the electric grid.**

**For the foregoing reasons, we urge a DO NOT PASS on HB 1315.**