

House Bill 1315

Presented by: Randy Christmann, Chairman
Public Service Commission

Before: House Energy and Natural Resources Committee
Honorable Todd Porter, Chair

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TESTIMONY

Mr. Chair and members of the committee, I'm Randy Christmann, Chair of the Public Service Commission, here to testify on HB 1315. I am testifying on my own behalf.

HB 1315 adds language to Section 9 of NDCC Chapter 49-22. Chapter 49-22 is 13 pages. Section 9 is only about ½ page and contains eleven "Factors to be considered in evaluating applications and designation of sites, corridors, and routes." But let's start at the beginning of the Chapter instead of in the middle. Chapter 49-22 as a whole is known as the "ENERGY CONVERSION AND TRANSMISSION FACILITY SITING ACT." Section 1 has been repealed, so it really starts with Section 2. Section 2 is the "Statement of Policy." (4 sentences and less than 200 words)

This Statement of Policy is one of the few sections of law that starts out with the words "The legislative assembly finds ...". The Statement of Policy emphasizes that it is necessary to ensure that energy conversion and transmission facilities produce minimal adverse effects on the environment AND on the welfare of the citizens of this state. Then the last summarizing sentence

of the Statement of Policy emphasizes that "... sites and routes shall be chosen which minimize adverse human and environmental impact while ensuring continuing system reliability and integrity ..."

This Siting Act is nearly 50 years old now. It was actually created during North Dakota's coal boom of 40-60 years ago. It has since been an important part of the responsible buildout of infrastructure throughout the development of our oil and gas industry.

But let's think for a moment about what was happening decades ago in North Dakota that led to the Siting Act being adopted. Rural electrification and the Baby Boom had changed this country, and we needed more energy. Compared to now, power line rights of way were easy to acquire and costs were low, so many investors and utilities determined that rather than relying on railroads to haul coal to population centers for their power plants, they would build the power plants by the coal mines and send electricity over the wires. It was a boom for North Dakota. Transmission lines were constructed that anticipated many more plants being built. And then environmental issues derailed many of those plant construction plans. We were left with transmission capabilities that far exceeded our generation capabilities.

Then about 20-25 years ago another remarkable thing happened. Technology and engineering made available large scale wind energy generation. Many in North Dakota, myself included, proclaimed ourselves supporters of an "all of the above" energy generation strategy, and over the years we were finally able to capitalize on a lot of that excess transmission capacity. But along the way

we have added more nameplate wind capacity than the capacity of our entire coal fleet. And by doing that, we have gone from an area with excess transmission capacity to an area with some of the worst transmission congestion problems in the nation. Congestion problems for which both of the regional transmission operators with membership in North Dakota are seeking solutions. Solutions that will cost our citizens enormous amounts of money.

The severity and significance of congestion problems really became clear with Storm Uri in 2021. In the aftermath, extensive studies have been done by both regional transmission organizations, and a lot of learning has been done by utility regulators around the nation.

Until recently, it was logical to wear that “all of the above” mantra and focus on Section 9 of the Siting Act. Outside of the Section 9 factors, there really were no clear adverse effects on the welfare of the citizens of this state caused by continued generation buildout. Thus we have focused on these eleven, largely environmental considerations in Section 9. Unfortunately, decades of not needing to focus on system reliability and integrity in our siting process has now been perceived to mean that we cannot consider what is probably the most important single thing in the Siting Act. With what we have learned in the last two years, we must no longer focus exclusively on Section 9 during our siting decisions. We must also take into consideration the reliability, integrity, and resilience of our electric supply and distribution system as this bill clarifies.

I still think it is duplicative to add almost the same language already contained in the “Statement of Policy” to our “Factors to be Considered.” I

believe that is something we can and must do regardless of what you do with this bill.

But you have a dilemma. Failure to pass HB 1315 will leave doubt. Some may think it was defeated because you assumed that the PSC can already do this. Others may think you want PSC siting decisions to ignore system reliability and integrity and focus exclusively on things like bugs and bunnies.

The problems associated with a constrained transmission system are very clear to me. I urge you to clarify to everyone that the Legislature continues to believe that the PSC has the necessary authority to do our best to ensure continuing system reliability and integrity.

This concludes my testimony. Thank you for your time and I am available for questions.