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House Bill 1315 Testimony in Opposition

House Energy and Natural Resources Committee, Representative Porter, Chair

February 2, 2023

Chairman Porter, members of the committee, I am Carlee McLeod, president of the Utility Shareholders of North Dakota, here on behalf of USND utility members, including ALLETE, Montana-Dakota Utilities, Otter Tail Power, and Xcel Energy. We ask you to oppose HB 1315.

We provide reliable electric service to our customers, and our records are among the best in the nation in providing that reliability. We do not operate in a vacuum. We serve regionally, and our transmission is carefully planned with the cooperation of a regional transmission organization (RTO). We participate in MISO, the Midcontinent Independent System Operator which serves 15 US states and Manitoba. Within MISO, there are over 6,800 generating units, and 68,000 miles of transmission. Each year, MISO conducts a reliability study of its transmission system. That study analyzes system needs, identifies alternative solutions, and resolves gaps where upgrades are needed. In addition to reliability study, MISO conducts economic planning to develop transmission plans that deliver efficient and lowest cost electricity. Lastly, MISO conducts broader transmission study for long range transmission planning (LRTP). MISO recently completed Tranche 1 of its LRTP, approving \$10.3 billion in new transmission projects. Two of those projects will directly benefit North Dakota.

Before any new project may interconnect with the MISO transmission system, it is subjected to analysis by MISO to determine its potential effect on the carefully managed transmission system. A more thorough and expert study on each project and its effect on the overall system does not exist.

This bill requires an applicant to file evidence regarding reliability, integrity, and resilience with a siting application. First, "sufficient" is not an evidentiary standard defined in law. Second, no other siting requirement includes an evidentiary standard. Third, in reality, this requirement is satisfied by an interconnection agreement from MISO. If the PSC were to interpret this bill as requiring something greater than this definitive analysis, it would be virtually impossible to produce something with greater credibility. Further, the PSC does not have the resources to expand its expertise and analysis to appropriately assess the evidence demanded in this bill. As such, this bill can only lead to delay and denial of applications, or litigation challenging the validity of this requirement.

North Dakota is blessed with an abundance of natural resources providing energy. We generate more electricity than our citizens require, and we export the rest. We should continue to grow our resources and move more of our energy to areas where it can be used. We should be supporting expanded transmission capacity and new transmission rather than limiting new generation. A bill like this, though well-intentioned, will guarantee no new transmission capacity will be built in North Dakota. Developers will move projects to more accommodating states. We are at the precipice of a new energy boom fueled by emerging technology and North Dakota persistence. This is not the time to stop growth. This bill would stop growth, and we ask you to oppose it.

Thank you.

