



February 9, 2023

Chairman Porter and House Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Concurrent Resolution 3014. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

This resolution urges the two regional electric grids which both serve North Dakota, known as the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) to act swiftly to correct market failures that have allowed capacity retirements across the Midwest. The delay in addressing these problems over the past five years has threatened the reliability of the grid which we experienced during extreme weather conditions in February 2021 that caused rolling blackouts in western North Dakota.

Over the past few sessions, the Lignite Energy Council has been advocating for the state to provide economic help to offset the unfair market conditions that exist due to federal tax policy that picks winners and losers without regard for the stability that our power plants provide with a secure fuel source found in lignite coal. While the North Dakota legislature has consistently and generously supported the lignite industry during tough economic times, we have also been pursuing actions in the marketplaces of MISO and SPP to make sure our industry is represented and valued for the baseload electricity that we provide.

In summary, with the help of Commissioner Fedorchak in particular, the LEC has been invited as a member and stakeholder at the MISO table. In the past year, there has been positive movement towards valuing resource attributes that would improve the markets for our generation resources. MISO has identified six reliability attributes as priorities that have been identified as Availability, Fuel Assurance, Ramp-Up Capability, Voltage Stability, Rapid Start-Up and Long Duration Energy at High Output. Five of those attributes directly apply to coal facilities and we are very supportive of this proposal. Over the past few months, MISO staff has been diligently working on designing the details of how this proposal would be applied in the market process, however stakeholders do not currently know how the final proposal would be constructed specifically for improved price signals, implementation and timing. This is still playing out today.

In the MISO and SPP electric grids, North Dakota is unique because of our status as an exporter of energy to other states as we currently export around 50% of our electricity generation to Minnesota. Now, more than ever, this region needs the resources and leadership from North Dakota. We can and are showing the region, country and world, that our state's natural resource and technology leadership means we can have a stable, reliable and clean energy future. I am sharing this background with the committee today to highlight the work being done by our association and major members to improve our circumstances in the market and that will continue. The resolution put before you today would provide support to our market activities in MISO and SPP that the North Dakota Legislature shares market and reliability

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concerns. It would also send a direct message to the grid operators that makes clear that North Dakota intends to declare its policy on energy generation and the importance of using North Dakota resources to achieve a resilient and reliable grid with carbon capture technology.

For these reasons, the Lignite Energy Council supports this resolution, and we respectfully ask that the committee provide this legislation with a favorable “Do-Pass” recommendation. I would also like to point out that I believe there is a drafting error on page 2.23, where “Midwest” should say “Midcontinent” as that is the accurate name of the MISO organization.

Thank you for your consideration,

Jonathan Fortner
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Members and States in the MISO Region continue to set ambitious deep decarbonization goals



17 utilities have energy goals greater than 80%

4 states have 100% clean energy goals

1 state with 100% clean energy law