



North Dakota House of Representatives

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March 10, 2023

Mr. Chairman, members of the committee-

For the record, my name is Anna Novak, representative from District 33. You have before you the Christmas-tree version of HB1315, which makes a few changes to the Public Service Commission's siting authority.

Section 1, subsection l - ensures that the PSC factors in how adding new electricity onto already congested transmission lines might impact the existing electric energy conversion facilities. In a nutshell, it tells the PSC that they at least have to factor in how current energy sources may be displaced by adding additional electricity onto the transmission lines.

Section 3 – The PSC may factor in the amount of dispatchable baseload electricity a utility has in their portfolio before a siting hearing is held.

Section 4 – the PSC may hinge permitting the new electric energy conversion facility on the company having adequate dispatchable electricity.

Protecting our baseload electricity sources by ensuring that the electricity they produce isn't kicked offline by intermittent electricity that they can offer at lower prices is important. This will help make sure that North Dakota residents have reliable electricity and it will help protect the jobs at our plants and mines.

When the Siting Act was written something like 40 years ago, there was extra room on our transmission lines. On top of that, most of the electricity was from baseload sources. Both of those things have changed dramatically since then. Minnesota just passed the Carbon Free by 2040 law. That law was designed to specifically hurt North Dakota's natural gas and coal industries. Several utilities that serve Minnesota generate a lot of their electricity in North Dakota. We cannot continue adding more and more electricity to our transmission lines without negative side effects.

The opposition to this bill will tell you that the Regional Transmission Organizations are responsible for reliability. Then why did we have power outages in February of 2021? Why is it that MISO had zero events that required them to enact the use of emergency procedures prior to 2016, but there have been 41 Maximum Generation events that required them to use emergency procedures since 2016? According to the US Energy Administration System, otherwise called the EIA, a governmental agency that tracks electricity in the US, renewable electricity generation went up from about 17% in 2016 to 28% in 2022. I am not opposed to renewable electricity generation, but it cannot lead to reliability problems.

For the past year or so, we have been hearing that the RTO's that service North Dakota are making progress with their accreditation process, essentially giving higher values to energy sources that are available all the time, like coal, nuclear and natural gas, versus energy sources that aren't available all the time, like wind and solar. That was progress and it felt like the needle was moving. In November of 2021, SPP submitted their proposal to FERC, which gave a lower accreditation to intermittent energy than baseload and it was approved in August. However, just last week FERC reversed its approval of SPP's capacity accreditation of wind and solar resources, due to a procedural flaw. SPP is encouraged to submit a new proposal, but there were comments made by FERC that show how politically charged the commission can be. As a reminder, the FERC commissioners are appointed by the President of the United States for 5-year terms. With this information, I've included information on that ruling.

One of the things that North Dakota has been doing right for several years and in many different areas is declaring primacy. Whether it be pore space, environmental rules or now waterway issues (SB2097), North Dakota taking control of important matters is in the best interest of our state and its citizens. While we cannot necessarily declare primacy for electricity generation because we are a part of RTO's, we most certainly can take control of the reliability issue by simply tasking our PSC with the responsibility of factoring it into their siting requirements. The problem I see is that they do not want the responsibility. However, they have added a number of employees recently and if that doesn't suffice, they have the ability to contract out for services that will help in determining the reliability of electricity generation projects that are asking for permitting.

I handed out the first part of the Facility Siting Act from the Century Code. The part that I want to point out is the last sentence of the first paragraph, which says, "In accordance with this policy, sites and routes shall be chosen which minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion."

When I read this, it says to me that reliability must be factored in with permitting electricity generation projects. But it was not interpreted that way in the PSC's working session for the Badger Wind Project, which I listened to. Commissioner Christmann brought up that electricity reliability will be compromised with the project and should be factored into the permitting decision. Commissioner Fedorocek disagreed and said that it could not

be a factor in permitting. Commissioner Fedorochek and Commissioner Haugen-Hoffart voted to give permitting to the project while Commissioner Christmann voted against it.

The RTO's claim to be policy takers, not policy makers. We are the policy makers and I believe we should make sure the PSC factors reliability into siting electricity projects, ensure that the utilities have adequate baseload electricity in their portfolio, and aren't just taking up space on our valuable transmission lines. With that, I'll stand for any questions you may have.