



March 10, 2023

Senate Energy & Natural Resources Committee

Re: Support HB 1315 as Introduced; Oppose Amendments to HB 1315

Chairman Patten and members of the committee,

Wind Industry of ND (WIND) is a coalition that advocates for the continued support of wind as one of North Dakota's many valuable natural resources.

HB 1315 began as a one-sentence bill on reliability, which on the surface seemed simple. Everyone wants low-cost, reliable electricity. HB 1315, however, sought to expand the jurisdiction of the PSC from the core purpose of the siting act—protecting human and environmental health—to regulation of the regional grid. This is problematic for various technical, practical, and legal reasons.

The house committee amended the bill to require applicants to inform the PSC that it has gone through the work with the RTOs to address impacts to the grid of a new project. That is done through the interconnection process. We support the bill as it came from the house because it reflects the reality of where reliability and markets are regulated—the RTOs—as required by federal law.

Yesterday, we were made aware of potential hog house amendments to the bill, which we will attempt to address in the short time we've had to analyze a technical area at the intersection of state of federal law.

The amendments seek to convert the siting act—the purpose of which is environmental and human health—to regulating the interstate electricity market. It seemingly requires the PSC to consider access to markets and distribution systems. It appears to give the PSC the authority to require that a new wind project must have either an interested buyer or a power purchase agreement before it can be approved. This is not the order in which project development occurs and does not reflect the myriad commercial arrangements in the market. This also appears to hamper or perhaps end opportunities for commercial or industrial users of generation to be supported by wind power—a type of commercial arrangement that does not require a utility offtaker.

At its core, this amendment is seeking to regulate the interstate electricity market, and it goes beyond the purpose of the siting act. The electricity markets and the reliability of the grid are squarely the responsibilities of the RTOs—not state siting regulators. Before a wind project can place electrons into the grid, it must go through a long, technical, and oftentimes expensive process called interconnection, managed by the RTO and with input from the transmission owner. The very purpose of the interconnection process is to determine impacts of new generation on the grid—the same impacts that these amendments are seeking to address. If a new wind project creates an issue with the grid, the project will be responsible for upgrading the transmission

system before it can send electrons into the grid to ensure integrity, reliability, and resilience. Simply put, there is already a well-established process for assessing—and mitigating—how a new wind project might impact the grid.

MISO and SPP are in the uniquely qualified position to oversee the interstate electricity markets and to determine impacts to the grid; and they are charged with doing so by the federal government (FERC).

We would urge the committee to support expanded transmission capacity and new transmission rather than limiting new generation. For these reasons, we urge a **DO NOT PASS** on the proposed amendments from the committee.

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