

# House Bill 1315

**Presented by:** Randy Christmann, Chair  
Public Service Commission

**Before:** Senate Energy and Natural Resources Committee  
Honorable Dale Patten, Chair

**Date:** March 23, 2023

## 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 currently 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 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 Section 1 has been repealed, so it really starts with Section 2.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."

It is a real policy directive from the Legislative Assembly. 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 gone through changes since then, but for the entire time it has been an important part of the responsible buildout of infrastructure, including 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 huge 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. Congestion was not a problem because we had built excess transmission. Since then, we have added more nameplate wind capacity than the capacity of our entire coal fleet. 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.

The severity and significance of congestion problems really became clear with Storm Uri in 2021, but I see it much more frequently in the day-to-day operations of our utilities and our regional transmission organizations. (RTO's) In the aftermath of Storm

Uri, extensive studies have been done by both of the RTO's, and a lot of learning has been done by utility regulators around the nation. Both of the RTO's with membership in North Dakota are seeking solutions to these congestion problems. Make no mistake, those solutions will cost our citizens enormous amounts of money.

In previous conversations about the reach of our siting responsibilities I have heard numerous references to the fact that every new interconnection to the grid is thoroughly studied by whichever RTO is involved, and that the developer pays an interconnection cost. But it is important to understand that paying for costs associated with interconnecting to the grid does not necessarily cover the costs of fixing congestion problems caused by that interconnection.

Although I think the Century Code already grants us this flexibility, I urge you to recognize the impacts of this problem by clarifying that transmission congestion is one of the many economic impacts that should be considered when the PSC reviews siting impacts, and also clarify that the actual providers of retail electric service are among the entities whose problems the PSC should consider.

I also urge you to clarify in code that the Commission has the discretion to condition the issuance of a certificate for a new generator on that generator actually having an agreement with a provider of retail electric service. This may allow us to potentially avoid additional congestion problems that will ultimately be costly for our own ratepayers.

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