



# North Dakota House of Representatives

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## COMMITTEES:

Education  
Energy and Natural Resources

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Mr. Chairman and members of the Senate Energy and Natural Resources Committee-

You have before you the second Christmas tree version of HB1315. These changes came after a lot of work. I had help from Ladd Erickson with these amendments. Ladd understands the energy industry better than anyone I've ever met. A guy that helped save a coal-fired power plant from being shut down by the state of Minnesota, that wants nothing more than to hurt North Dakota's fossil fuel industry, was exactly the right person to help me come up with a solution. In crafting these amendments, Ladd and I worked with all the interested parties – including the Public Service Commission, the utilities and even the Wind Industry of North Dakota. Actually, one of the first things we did was sat down with Jack Schuh from the PSC and brought in Levi Andrist, as a representative from the wind industry. We wanted to make sure we were all reading and understanding things the same way. After that, we started coming up with drafts. All of the interested parties can attest that we have included them on emails with several different ideas and options. There have been many calls, emails and texts exchanged over the past few weeks. I've compromised a lot in hopes of finding common ground, but in the end, we couldn't get everyone to agree. And in fairness, what I was told from some of the utilities is that they didn't see a version of my bill that they could ever agree to because they don't want the burden of any additional regulations. So, you're aware, Basin Electric, Rainbow Energy and Great River Energy are coming in as neutral. I actually sent my contact at Basin a text message and asked if there was any way they might be able to support my amendments and he wrote back, "Ha ha...No!" It was worth a shot!

But as a reminder, the Siting Act hasn't been updated in 40 years and the electricity generation source landscape has changed tremendously since it was written. The Siting Act lays out guidelines that the PSC commissioners look at when siting electricity generation projects. 49-22-09, section 1, states "The commission shall be guided by, but is not limited to, the following **considerations** to aid the evaluation and designation of sites, corridors, and routes:" and goes from a-k. These guidelines simply help them when making decisions and give them more tools in the toolbox versus just rubberstamping every project that applies for permitting. We're at a point in which

we should be more selective for electricity generation permitting within the state. I'll walk you through the changes to the siting act that I'm proposing.

Section G – we are adding verbiage to this section to address the issue of congestion. The word “reliability” raised red flags for one of our PSC commissioners as well as a few utilities. While I'm still quite concerned about reliability, focusing on congestion is somewhat the same concept because my main concern is that with the limited transmission capacity, we currently have on our transmission lines, we should not allow our baseload electricity generation sources to be kicked off the lines by the permitting of new intermittent electricity generation sources.

g. The direct and indirect economic impacts of the proposed facility, including on an entity that directly, or through its members, provides retail electric service. As used in this subsection, economic impacts includes, but is not limited to, transmission congestion.

Section K allows a utility to raise concerns about new electricity generation facilities. I believe they do already have the right to speak up if they are concerned, but this codifies it into the Century Code and putting this into law lets them know from the get-go that their feedback is welcomed.

k. Problems raised by federal agencies, other state agencies, and local entities, or an entity that directly, or through its members, provides retail electric service.

Section 3 states that the PSC *may* require a power purchase agreement before construction commences. The word “may” is important because it allows the PSC some flexibility, with the co-ops that are G & T's and otherwise, to use that as a consideration. Like the other letters under Section 1, it is simply there to aid them in making a reasonable decision. Allowing the PSC the option to require a PSC will ensure that the transmission lines in North Dakota benefit North Dakota versus a Google, Apple or other entity that is looking to greenwash their company while taking up space on our transmission lines. These lines are valuable! Wanting and expecting the transmission lines in our state to benefit North Dakota isn't unrealistic or an outrageous expectation.

3. If a project will interconnect into a regional transmission authority electrical grid, the commission may condition the issuance of a certificate or permit for a new ~~non-dispatchable~~ electric energy conversion facility on having a power purchase agreement, before construction commences, with an entity that directly, or through its members, provides retail electric service.

The opposition has argued that this bill will negatively impact future transmission projects. Basin Electric has three new transmission projects moving forward and I've confirmed with them that HB1315 will not negatively impact any of those. Why? Because any new transmission built is going to alleviate congestion so future transmission projects can still move forward, regardless if this bill passes or not. Congestion is caused by new generation being added to the transmission lines. Giving the PSC direction to consider congestion when siting

electricity generation projects is in the best interest of our state because it affects reliability as well as the jobs in communities like mine, which have providing affordable and reliable electricity to the rest of our state and beyond for decades.

The other point they will argue is that congestion and reliability concerns should be dealt with at the RTO level. I actually agree with them. But between the RTO's telling us that they are policy takers and not policy makers, the fact that there has been a history of black and brownouts across the country, and states like Minnesota passing laws that essentially ban reliable, fossil fuels, it's hard to believe they really are dealing with those concerns.

With all due respect, the lobbyists opposing this bill represent companies operating in North Dakota, and their focus is on the particular business they represent, as it should be. But our responsibility as legislators is to the people of our state. I hope you'll give HB1315 a Do Pass recommendation and I'll stand for any questions. Thank you.