



March 1, 2023

Chairman Roers and State and Local Government Committee Members,

I am submitting testimony today with concerns regarding House Bill 1086. 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.

The businesses and individuals of the Lignite Energy Council support efforts to increase efficient operation of state agencies and exercise wise stewardship of taxpayer resources. More efficient government means our members can focus on what they do best: maximizing the value of coal and powering the lives of those in the Upper Midwest. And as direct consumers of services provided by the PSC, our members have firsthand knowledge of the importance of stable and reliable IT services. As such, we have some serious concerns with this proposal to consolidate their IT systems.

In our long history of working with the PSC, our members have had no issue, problems, or concerns with the agency and the reliability and security of their IT systems. In fact, our members have worked together with the PSC on cutting edge technological services to increase efficiency and access to information in our industry. These efforts have been recognized by federal officials in the Office of Surface Mining for their innovation and effectiveness and have served as models for other States to leverage the assets provided by OSM to make their own mining programs more effective.

This leads to one of our concerns with this proposal. The PSC computer systems serve to aggregate information from federal partners and industry participants within the State's regulatory infrastructure. This three-way conversation creates the need for a system that is suited for rigorous compliance with federal requirements while maintaining the ability to quickly adapt and integrate the innovations that come from the private sector's early adoption of technological improvements.

This expertise has developed over a series of decades, and we fear it cannot be easily replicated if the PSC server system is uprooted from its current location.

In the coal industry, livelihoods depend upon compliance with State and federal regulations. Any threat that puts our permitting system at-risk or puts our access to critical data at-risk is taken seriously by those who rely upon the PSC's systems. For this reason, we share the concern for an IT system that is secure from cyberthreats and physical threats. But in the day-to-day operations of our businesses, the risk of unnecessary delays, or unexpected interoperability problems, or a regulatory mistake due to a steep learning curve are just as real and just as damaging as cyberthreats or physical threats.

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Therefore, our primary concern would be moving servers out of the PSC and into another agencies' jurisdiction.

For these reasons, the Lignite Energy Council opposes HB1086 and we respectfully ask that the committee provide this legislation with a favorable "Do Not Pass" recommendation.

Thank you for your consideration,

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