



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Wednesday, July 22, 2026
Freedom Mine, 204 County Road 15
Beulah, North Dakota

Representative Anna S. Novak, Chairman, called the meeting to order at 9:01 a.m.

Members present: Representatives Anna S. Novak, Dick Anderson, Mike Brandenburg, Pat D. Heinert, Dustin McNally, Alisa Mitskog,* Todd Porter; Senators Brad Bekkedahl, Ryan Braunberger,* Greg Kessel, Kent Weston, Desiree van Oosting

Members absent: Representative Austin Foss; Senators Keith Boehm, Mark Enget, Kathy Hogan

Others present: Andrew Hawbaker, Coteau Properties Company; Mike Heger, BNI Coal; Jason Laumb, Lignite Energy Council; Dan Laudal, College of Engineering and Mines Research Institute; Troy Tweeten, Basin Electric Power Cooperative; Travis Jacobson, Montana-Dakota Utilities Company

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Representative Porter, seconded by Representative Heinert, and carried on a voice vote that the minutes of the June 2, 2026, meeting be approved as distributed.

OVERVIEW OF FREEDOM MINE

Mr. Andrew Hawbaker, President, Coteau Properties Company, presented information on the Freedom Mine. He noted:

- The majority of coal mined from the Freedom Mine is delivered to Basin Electric Power Cooperative's Dakota Gasification Company, followed by Antelope Valley Station and Leland Olds Station.
- The Coteau Properties Company works with cooperative farmers to facilitate the reclamation and restoration of mined land to its previous condition.

In response to questions from committee members, Mr. Hawbaker noted:

- It takes approximately 3 to 5 years to reclaim mined land and restore the land to a condition suitable for agricultural production.
- During the mine permitting process, the Coteau Properties Company evaluates potential impacts on aquifers and wells to minimize disruption to existing water systems.
- Coteau Properties Company will replace a mined coal seam with new soil to minimize disruptions to the natural flow of water.

REGULATION OF COAL MINING RECLAMATION

Mr. Randy Christmann, Public Service Commissioner, presented information regarding coal mining reclamation. He noted:

- Mining federally owned coal in North Dakota requires both a permit and a lease from the federal government.

- Federal approval has delayed some North Dakota mining operations for more than a decade.
- The Public Service Commission has authority to confirm the validity of a federal coal lease but does not have authority to determine whether the terms of the lease are fair and equitable.

In response to questions from committee members, Mr. Christmann noted the federal government may prevent private mineral rights owners from benefiting and receiving royalties from their property if the federal government owns a portion of the underlying land and declines to lease the land for mineral development.

FREEDOM MINE TOUR

Mr. Hawbaker led the committee on a tour of the Freedom Mine.

COAL MINING IN NORTH DAKOTA

Mr. Jonathan Fortner, President and Chief Executive Officer, Lignite Energy Council, presented information ([Appendix B](#)) on the lignite energy industry. He noted:

- North Dakota is the seventh-largest coal-producing state in the nation and has the world's second-largest lignite deposit.
- The federal "One Big Beautiful Bill Act" reduced federal coal royalty rates from 12 to 7 percent through 2034, which is expected to encourage additional coal production from federal lands.
- The Industrial Commission has funded approximately 12 projects related to critical minerals research and commercialization.
- North Dakota's forecasted 20 percent growth in electricity demand by 2030 provides mine owners, power plant operators, and other energy businesses with greater certainty regarding future energy demand.

In response to questions from committee members, Mr. Fortner noted:

- Approximately \$18.5 million is directed to the Lignite Research Fund each biennium to support research projects, which have generated a significant return on investment.
- The lignite industry needs to continue educating local communities about opportunities for economic growth to build community support.

Mr. Mike Heger, President, BNI Coal, presented information ([Appendix C](#)) on coal mining operations in Oliver County. He noted the Tundra 2.0 project uses different technology for a carbon capture solution and places greater emphasis on the potential for enhanced oil recovery.

Mr. Carroll Dewing, Senior Vice President, North American Coal Corporation, presented information on coal mining and rare earth minerals in North Dakota. He noted:

- North Dakota holds roughly 10 percent of the total United States coal reserves and nearly 20 percent of the world's lignite reserves.
- The coal industry has an estimated \$5.4 billion economic impact on North Dakota through direct and indirect expenditures, income, and business activity.
- One of the primary challenges facing the lignite industry is maintaining relationships with landowners.
- Rare earth elements and other critical minerals can be recovered and refined from waste materials generated from coal-fired power plants.
- North American Coal and AmeriCarbon are working to develop the Forge Project, which would establish the first coal tar pitch production facility in the United States.

In response to questions from committee members, Mr. Jason Laumb, Vice President of Research and Development, Lignite Energy Council, noted a next-generation power plant could cost several billion dollars to construct. He noted North Dakota has the necessary resources but needs additional investment to support development.

Dr. Dan Laudal, Executive Director, College of Engineering and Mines Research Institute, University of North Dakota, presented information ([Appendix D](#)) on the extraction and commercialization of rare earth minerals from lignite coal. He noted:

- North Dakota has an opportunity to become a national leader in the production of critical and strategic materials and value-added manufacturing.
- The inorganic composition of lignite coal makes extraction of critical minerals easy while also purifying the carbon products.
- The United States Department of Energy selected North Dakota for an award that could support the state's first commercial-scale critical minerals demonstration project.

In response to questions from committee members, Dr. Laudal noted:

- The technology and acid used to extract rare earth minerals have not changed in recent years.
- Operators inject wastewater into the subsurface using a method similar to those used in oil and gas production and recycle the wastewater to the extent possible.
- The rare earth mineral extraction process is expected to improve the quality and increase the quantity of fertilizer.

Mr. Troy Tweeten, Senior Vice President of Coal Generation, Basin Electric Power Cooperative, presented information ([Appendix E](#)) regarding coal conversion operations and the process of converting coal into energy.

In response to questions from committee members, Mr. Tweeten noted:

- New conductor technology uses a central core design to reduce line loss and improve transmission efficiency.
- The decision to retain or retire a coal-fired power plant depends on whether the cost of maintaining or upgrading the facility to meet the energy demand is lower than the cost of constructing a new facility.
- Antelope Valley Station was awarded \$27 million from the United States Department of Energy to help extend the life of the coal-fired power plant.

Mr. Travis Jacobson, Vice President of Regulatory Affairs, Montana-Dakota Utilities Company, presented information ([Appendix F](#)) on proposed rate increases for existing customers. He noted:

- The rate increase proposed by Montana-Dakota Utilities Company (MDU) is not related to data centers.
- The Public Service Commission must approve any agreement between MDU and a data center entity.

In response to questions from committee members, Mr. Jacobson noted:

- A contract for electrical service with a proposed data center typically has a contractual term of 5 years, although some contracts have a term of up to 15 years.
- Data centers are responsible for the costs of upgrades required for grid connection.
- The purchase of the Badger Wind Farm in northwest North Dakota did not result in a rate increase for existing customers.

- MDU compared the cost of continuing to operate R.M. Heskett Station Units 1 and 2 and the Lewis and Clark Station coal-fired power plant with the cost of retiring and replacing the facilities and determined the plants were no longer cost-effective due to the lower cost of natural gas and wind power.

Mr. Austin Gunderson, Counsel, Legislative Council, presented a memorandum entitled [Other States' Regulations on Data Center Development](#).

COMMENTS BY INTERESTED PERSONS

The committee received testimony from Mr. Mark Pierce, Business Manager, North American Coal Corporation, regarding the importance of protecting North Dakota's energy.

No further business appearing, Chairman Novak adjourned the meeting at 4:48 p.m.

Austin Gunderson
Counsel

Erin K. Dohm
Counsel

ATTACH:6