

Testimony on Senate Appropriations  
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Mr. Chairman and members of the House Appropriations/Government Operations Division Committee, my name is Claire Vigesaa, and I am Executive Director of the North Dakota Transmission Authority.

The North Dakota Transmission Authority was created in Century Code in 2005; NDCC 17-05-02. Its mission is to facilitate the development of transmission infrastructure in North Dakota by supporting build-out or acquisition of needed transmission, participating in regional grid operations- the Southwest Power Pool (SPP), Mid-Continent Independent System Operator (MISO), and the Midwest Reliability Organization (MRO); producing annual reports, conducting grid assessments, and leading grid reliability and generation resource adequacy studies.

Like farmers need roads and gas producers need pipelines, electric generation needs transmission lines to deliver power supply to load and to market. As you know, North Dakota has seen dramatic increases in electric demand over the last decade; electric sales within North Dakota from 2016-2023 rose over 52%. Certainly, we know that the oil/gas development has

and continues to require major power supply and transmission buildout. In addition to that, there has been significant electric demand increases for ag processing expansion, ethanol production, soybean processing, grain storage & handling and national defense systems. More recently, we've seen opportunity for North Dakota to be a safe & economical location to serve the world's data and artificial intelligence facilities and we see exciting opportunities for critical & rare element development. As our state population has increased, we are serving more homes, retail centers and health care facilities, all drivers for more power, more transmission lines, more natural gas lines and highway system expansion.

Further, North Dakota is rich in resources needed to produce electricity. Our abundant coal reserves, growing supply of natural gas and excellent wind energy resources position North Dakota to be a reliable and affordable electricity producer for our neighbors, region, and nation.

Over the past four years, there have been major regulatory reforms proposed that would shutter current and hinder future development of fossil fuel generation. This occurring at the same time as demand for electricity is rising. Over the last few seasons, the Midwest Reliability Organization has put our region in an "elevated" risk area for potential for insufficient operating reserves in above-normal conditions; concerning to say the least.

In response to these EPA attacks, the North Dakota Transmission Authority commissioned two studies in 2024 and provided reports for the North Dakota Attorney General's efforts to fight the regulatory attempts. One of the reports analyzed the impact of the proposed EPA Mercury and Air Toxic Standards and another study identified the effects of grid reliability in North

Dakota from the New Source Performance Standards for Greenhouse Gas Emissions. The proposed Mercury and Air Toxic standard model showed that MISO would be unable to guarantee peak demand by 2029! The Greenhouse rule would render MISO unable to guarantee peak demand by 2028! And SPP would have insufficient generation to meet peak demand beyond 2030. We can't let this happen on our watch!

The new Administration will certainly bring relief to these concerns, but we must remain vigilant in supporting a policy and a regulatory environment that is stable so that developers can confidently invest in long-term assets like pipeline networks, electric transmission, and power generation.

Currently, the ND Transmission Authority is collaborating with the EERC on a study "Assessing North Dakota's Electrical Infrastructure in an Evolving Energy Landscape" slated to be complete the 3<sup>rd</sup> quarter 2025. This study looks at the impact and opportunities for load growth from oil/gas development, ag processing to data processing as well as general industrial/business growth.

On a positive note, we are pleased to see a significant shift and alignment on the need for dispatchable generation resources. While we can't take credit for all this progress, the ND Transmission Authority has been vigilant in providing information and educational materials to that end. We have seen the North American Electric Reliability Corporation, (NERC), the Federal Energy Regulatory Commission (FERC), the Midwest Reliability Organization (MRO) Midcontinent Independent System Operator (MISO), the Southwest Power Pool (SPP), the ND

Public Service Commission, the ND Industrial Commission, the ND Legislative body and the utilities all forthright in the need for retaining existing baseload-dispatchable generation and focused on the development of more generation using coal, natural gas and nuclear fuel stock.

Because of this alignment, and the North Dakota Transmission Authority's completion of the regulatory impact studies and the present transmission and generation capacity study under way with the EERC (due out 3<sup>rd</sup> quarter 2025), we don't expect we will need funds for additional studies this coming biennium. The proposed line-item budget for the North Dakota Transmission Authority of \$400,000 by Governor Armstrong and the Senate will be helpful to continue efforts to promote & support generation resource adequacy and transmission capacity for North Dakotans.

To that end, we ask for your support of \$1,750,000 (\$583,000 per FY) of state match for the FY24, FY25 & FY26 IJA Grid Resilience Formula Grant of 3,885,295/year or \$11,655,885 for the three fiscal years. Further, we ask for your support of \$400,000 of general fund dollars for the North Dakota Transmission Authority. The budget will ensure that the North Dakota Transmission Authority may continue its efforts to participate in state, regional and national arenas to promote thoughtful and affordable transmission solutions for North Dakota and the nation.

In summary, North Dakota's leadership in the development and production of fossil fuels and agricultural products requires infrastructure to serve growing native load, to expand export capacity and get North Dakota's products to market. Supporting transmission and generation

expansion will have a direct and immediate impact on North Dakota's grid reliability and economic security.

Thank you for the opportunity to appear and to ask, on behalf of the North Dakota Industrial Commission acting as the North Dakota Transmission Authority, for your support of SB2014.