

February 3, 2025

Chair Headland and members of the House Finance and Taxation Committee,

On behalf of BNI Coal, we write in strong support of House Bill 1279 which extends the coal conversion facilities tax by another ten years from June 30, 2026 to June 30, 2036 and provides continued tax relief to a cornerstone sector in North Dakota's energy industry. We thank Representative Novak and all other sponsors for their leadership on this issue and encourage the committee with a "Do Pass" recommendation.

BNI Coal, a subsidiary of ALLETE, Inc., owns and operates the Center Mine located 35 miles northwest of Bismarck, ND. We are a historic North Dakota company having founded our operations in Divide County in 1929. Our primary business today is to supply coal to Minnkota Power Cooperative's Milton R. Young Station and, just as importantly, reclaim every acre of land we disturb in the process. We currently employ about 180 people and our identified coal reserves are capable of fueling the Milton R Young Station for another century.

Our future is heavily dependent upon our customer's ability to compete in the electrical generation marketplace. Today's legislation provides them with tax relief required to strengthen the financial position of coal-powered power plants **and** therefore the suppliers like BNI Coal that source lignite. As our industry continues to face difficult regulatory environments, especially rulemakings that originate with the U.S. Environmental Protection Agency, it is important that the legislature continues to recognize the vital importance the lignite industry plays in producing affordable and reliable electricity that businesses and families depend on daily.

It is also important to note for this committee that even if today's legislation becomes law, the lignite industry will continue to generate about \$100 million in annual tax revenue to local county units and the state. The bill also preserves the coal conversion tax revenue for counties so they can plan ahead and continue to offer critical services to their residents.

HB1279 will provide the lignite industry with 10 years of longer-term certainty. This pause will support the industry's ability plan our economic futures, to continue to make investments in the state, and to provide critical electric services. With that, we ask that you support HB1279. Thank you for your consideration and do not hesitate to reach out with any questions related to today's bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Heger", with a long horizontal flourish extending to the right.

Mike Heger
President
BNI Coal, Inc.