



February 3, 2025

Chairman Headland and House Finance and Taxation Committee Members,

Basin Electric Power Cooperative (**Basin Electric**) submits this testimony in support of House Bill 1279 and the relief it provides lignite power plants in North Dakota.

Basin Electric is a regional, member-owned, generation and transmission cooperative formed in 1961 to supply supplemental power to a consortium of rural electric distribution cooperatives. Basin Electric's core business is generating and delivering electricity to wholesale customers, primarily our member systems. Basin Electric owns and operates over 5,000 MW of electric generating capacity including coal, wind, and natural gas. Basin Electric supplies 140 rural electric member cooperative systems with wholesale electric power who in turn serve approximately 3 million consumers in a nine-state area, including 16 cooperatives across North Dakota.

As part of this generation portfolio, Basin Electric owns and operates two lignite coal power plants in the state, Antelope Valley Station and Leland Olds Station, as well as the Dakota Gasification Company (DGC) which also converts coal to byproducts.

HB1279 is an extension of coal conversion tax relief and maintains the status quo for coal plant operators. Over the past five years, the existing tax relief has saved Basin Electric over \$60 million dollars; extending this relief for another 10 years is estimated to save Basin Electric another \$120 million or more. These savings are passed on to our members and help to maintain affordable reliable energy in the State. Currently, changing fuel markets, federal policies, and regulations distort energy markets, and favor intermittent electrical generation. Further, an aggressive Federal government has made it harder to operate coal plants in recent years. To remain competitive in this environment, lignite coal-based power plants and conversion facilities require economic relief to sustain the viability of baseload generation, protect North Dakota's lignite industry, and ensure coal-based power remains a reliable and economically viable resource in wholesale power markets.

Basin Electric has recently announced historic investments to its generation and transmission systems in the State of North Dakota. While inflation, litigation, and regulation may pose challenges to our industry, we ask this committee to maintain its commitment to favorable taxation so as support these critical investments and ensure affordable and reliable energy for North Dakota.

Ryan Norrell
Vice President of Government Relations
Basin Electric Power Cooperative