

**Testimony of Mark Bring
Director of Public Policy and Government Affairs
Otter Tail Power Company**

In Favor of HB 1279

**Before the House Finance & Taxation Committee
February 3, 2025**

Chairman Headland and members of the Committee, my name is Mark Bring and I serve as Director of Public Policy and Government Affairs for Otter Tail Power Company. I have been licensed as an attorney in North Dakota since 1992 and have been employed continuously in the electric industry since 1997. I respectfully submit this testimony regarding our company's support for House Bill 1279.

Otter Tail Power Company is one of the smallest investor-owned utilities in the nation and is a subsidiary of Otter Tail Corporation, which is traded on the NASDAQ as OTTR. Otter Tail Corporation also owns several manufacturing companies engaged in metal fabricating, custom plastic parts manufacturing, and PVC pipe manufacturing. These non-energy businesses include Northern Pipe Products in Fargo.

Otter Tail Power Company provides electricity and energy services to more than 133,000 customers spanning 70,000 square miles in western Minnesota, eastern North Dakota, and northeastern South Dakota. Our service area is predominantly rural and agricultural. By way of example, a median-sized community we serve in North Dakota is Michigan in Nelson County. According to the most recent U.S. Census Bureau statistics, Michigan has a population of 263 people. We serve many towns that are smaller yet, including my hometown, Galesburg, in Traill County. The largest North Dakota communities served by our company are Devils Lake, Jamestown, and Wahpeton. Following its incorporation in 1907, our company began serving its very first customer in Wahpeton in 1909.

Otter Tail Power Company is a 35% co-owner and is the operating agent of Coyote Station, a 427-megawatt lignite coal-fired plant near Beulah. Coyote Station is jointly owned with Montana-Dakota Utilities Co. (25%), Northern Municipal Power Agency (30%), and NorthWestern Energy (10%). Coyote Station began producing electricity in 1981. Approximately 80 employees operate and maintain the plant.

HB 1279 would extend the sunset of 2021 legislation that provided meaningful coal conversion tax relief. In the case of Coyote Station, this relief reduced coal conversion taxes by approximately \$1.7 million in 2024, thereby benefiting customers of the four co-owners and ensuring a consequential reduction in the cost of energy production at the plant. The reduction in the cost of energy production results in Coyote Station achieving higher dispatch rates and using greater amounts of lignite coal than it otherwise would. This, in turn, keeps Coyote Station competitive in the marketplace, contributing to the vibrancy of coal country and benefitting a key industry for our state.

The lignite industry continues to face challenges. In a marketplace that is regional in nature, HB 1279 represents a tangible way in which North Dakota can help lignite coal-fired generation remain competitive.

We urge a DO PASS on HB 1279.