



House Bill 1279
Testimony of Jessica Bell
House Finance and Taxation Committee
February 3, 2025

Chairman Headland and members of the Committee, my name is Jessica Bell, and I am appearing on behalf of Rainbow Energy Center today to speak in favor of House Bill 1279. House Bill 1279 seeks to provide essential tax relief to North Dakota's lignite industry, including Coal Creek Station.

On June 30, 2021, Rainbow Energy Center and its affiliate, Nexus Line, entered into definitive agreements with Great River Energy for the acquisition of Coal Creek Station and the 400-mile high-voltage direct current (HVDC) transmission line that transmits power produced from Coal Creek Station to a converter station located near Buffalo, Minnesota. On May 2, 2022, the purchase and sale to Rainbow was complete. The process of Rainbow acquiring Coal Creek Station began with the vision of the team at Rainbow Energy. It is a vision that continues to be executed today and will preserve Coal Creek Station and the over 1,000 careers at the plant and mine for generations.

The response from stakeholders such as yourselves ensured that vision for Coal Creek Station could be executed. Those changes allowed us to put our heads down and get to work. In the nearly three years Rainbow Energy has operated the plant, we have all learned many lessons.

Rainbow has taken an innovative approach when it comes to securing and providing reliable and affordable power as an independent power producer. Long-term contracts to provide power to IOUs, cooperatives and data centers at a price certain was part of our original vision and

is critical to our long-term business plan. Market prices remain constrained due to many factors and inhibit reliable generators such as Coal Creek Station to remain economically viable solely utilizing the real-time and day-ahead markets in regional transmission operations such as Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP).

Fulfilling these contracts require Coal Creek Station to operate at maximum efficiency. This means significant investments must be made to ensure power is available when needed. Preventative maintenance, increased efficiency in power distribution and innovative projects that shift waste to beneficial use projects are just some of the investments made at Coal Creek Station over the past three years to help ensure not only long-term economic viability, but long-term economic growth for the surrounding vibrant communities of Underwood and Washburn.

Constrained markets, a weaponized EPA, inflation and limited access to capital and higher insurance costs due to ESG pressures are all contributing factors in complicating our ability to do business. While all these factors come from outside pressures, the state's support presently and as we look to the future will help plants like Coal Creek Station endure these trying times and changing dynamics in the power production market. The ten-year exemption period helps provide a level of predictability when so many other outside factors are incredibly volatile and outside our and your control.

In closing, I urge you to adopt HB 1279 as proposed. The relief the state has provided up to this point has made all the difference for us at Rainbow Energy as an independent power producer. Looking to the future, this support will help in our ability to navigate inevitable upcoming challenges over the next decade. I would be happy to answer any questions you may have.