

Testimony of Jason Weiers, Otter Tail Power Company, in Support of House Bill 1258

House Energy and Natural Resources Committee

January 23, 2025

Good morning, Chairman Porter and members of the committee, my name is Jason Weiers and I serve as manager of transmission project development for Otter Tail Power Company.

I have been employed by Otter Tail since 2000 and am a graduate of North Dakota State University with a bachelor's degree in electrical engineering. I am also a registered professional engineer in the State of Minnesota. I have approximately 24 years of experience in the electric utility industry, with more than 22 years of those in electric transmission planning. In my current role, I oversee the permitting of transmission projects, which includes permitting transmission facilities at the local, state, and federal levels. In addition, I am responsible for developing agreements with our co-owners that outline the business arrangements for ownership, development, construction, operations, and maintenance activities related to co-owned transmission projects. In my previous roles at Otter Tail, I was involved in transmission and distribution planning studies, transmission project agreements, regulatory proceedings related to permitting and cost recovery, as well as capital budget development and administration. I have experience throughout the various stages of project development, from conceptual planning all the way to taking a project through construction and placing it in-service.

I am here to testify in support of House Bill 1258. Importantly, lines 11 through 15 on page 1 of House Bill 1258 provide that a state permit from the Public Service Commission for the construction of an electric transmission facility within a designated corridor supersedes and preempts local land use or zoning regulations except for a deference to local political subdivisions on complying with road use agreements.

Lines 16 and 17 on page 1 of House Bill 1258 provides that before an electric transmission facility is approved, the commission would require the applicant to comply with road use agreements of impacted political subdivisions.

Lines 18 through 21 on page 1 of House Bill 1258 further provides that a state permit may supersede and preempt the road use-related requirements of a political subdivision if the applicant shows by a preponderance of evidence that the regulations or ordinances are unreasonably restrictive in view of existing technology, factors of cost or economics, or needs of consumers regardless of location, or that are in direct conflict with state or federal laws or rules.

Lines 3 through 12 on page 2 of House Bill 1258 would also create procedural requirements for the commission to notify counties, cities, and townships that have retained zoning authority along any part of the proposed corridor for the transmission line.

House Bill 1258 would provide parity on substantive and procedural provisions that are already applicable to gas or liquid transmission facilities under Chapter 49-22.1-13. This parity would provide additional certainty to applicants on critical electric transmission facilities needed to support the state and public interests and create consistency for the commission's consideration of such facilities.

More importantly, it would ensure that the public and state interest in reliability, resource adequacy, and economic development outweigh parochial, local opposition to critical electric energy infrastructure. Please allow me to provide an example...

At the present time, Otter Tail and Montana-Dakota Utilities Co. are engaged in the development of an approximately 95-mile, 345-kilovolt (kV) transmission line in North Dakota. The Jamestown to Ellendale transmission line, or JETx, is a significant and critical component of the North Dakota transmission system that will run between Otter Tail's Jamestown Substation and Montana-Dakota Utilities' Ellendale Substation.

JETx is one of 18 new transmission projects in the Midwest identified and approved by the Midcontinent Independent System Operator, also known as MISO, in Tranche 1 of its Long-Range Transmission Plan. This project will help ensure electric reliability, increase resiliency to extreme weather events, reduce transmission congestion, and increase access to low-cost energy in the region. JETx is the only transmission project located in North Dakota in MISO's Tranche 1 portfolio.

By way of background, MISO is essentially the equivalent of the air traffic controller of the regional transmission grid - - which includes transmission facilities in 15 states and the Canadian province of Manitoba. Managing the electric grid is similar to managing air traffic. Air traffic controllers are responsible for moving people from point A to point B safely and reliably, 24/7/365. They don't own the airplanes, they don't own the runways, they only direct the air traffic. Instead of moving people, MISO is responsible for moving electricity from where it is generated to where it is consumed, reliably and at the lowest possible cost 24/7/365. MISO doesn't own the generators, the transmission lines, or any part of the electric grid. The MISO member utilities, such as Otter Tail and Montana-Dakota Utilities, are responsible for owning the generation, transmission and distribution facilities needed to produce and deliver electricity to their customers.

The JETx project kicked off in early 2023, and a series of open houses were held between June and September 2023 throughout the project area to gather landowner information to help us identify a proposed corridor for the transmission line. In February of 2024, an application for a Certificate of Public Convenience and Necessity was submitted to the Public Service Commission and the application was ultimately approved in November 2024. Right-of-way agents have continued to work with landowners and approximately 65% of the necessary land rights for the project have been obtained to date. In early 2025, we plan to submit a combined application for a Certificate of Corridor Compatibility and Route Permit to the commission pursuant to Chapter 49-22. The commission will review the application and hold public hearings before making a decision on the combined application. It is anticipated that construction of the JETx Project will begin in the summer of 2026 and be in-service by the end of 2028.

As mentioned earlier, the JETx Project is important to help ensure electric reliability and increase resiliency to extreme weather events. Our company experienced an extreme weather event in the form of an ice storm in December 2023 that resulted in two transmission lines serving the Jamestown area being out of service simultaneously. At that time, the capability of the transmission system was significantly reduced and as a result, our company was forced to only serve a limited number of customers in and around the city of Jamestown. Large customers in the Jamestown area, including Cavendish Farms, Green Bison, Dakota Spirit Ag and Applied Digital, were forced to operate at reduced levels in order to keep the compromised transmission system operating within reliable limits; thereby allowing us to keep the lights on for the rest of the customers in the area. The JETx Project will provide a new transmission line to serve the Jamestown

area that will not only offer additional redundancy but also increase system capability to avoid a similar circumstance in the future.

There have been comparatively small pockets of local opposition to the JETx project. This has manifested itself in at least 2 townships in Stutsman County enacting ordinances requiring a transmission line to have a 2,600-foot setback from occupied rural residences. In addition, the Stutsman County Commission is also considering a similar amendment to its ordinances. There is simply no way to build a project through this rural area of North Dakota while abiding by such an onerous setback requirement.

This sort of local opposition, typically initiated by a limited number of landowners, is hindering the development of critical energy infrastructure in several locations in the state. And the opposition is not contained to electric transmission projects, but several other types of critical energy infrastructure projects that are needed to support state and public interests.

The needs of our modern society require more and more electricity, particularly as we look to add new industrial and agricultural facilities and host high performance computing centers in North Dakota. Additional electric transmission is necessary to move electricity from where it is generated to where it will be consumed in a reliable and cost-effective manner.

Therefore, we urge a DO PASS motion on House Bill 1258. With that, I am happy to stand for any questions, Mr. Chairman.