



**Testimony in Opposition - HB 1579**  
**House Energy & Natural Resources**  
**January 31, 2025**

Chairman Porter and Members of the Committee, thank you for the opportunity to testify on House Bill 1579. My name is Terry Effertz, and I serve as the Executive Director of TechND and the Data Center Coalition of North Dakota. I am here today to express strong opposition to HB 1579 as introduced and to advocate for amending the bill into a legislative study rather than enacting premature regulations that could have unintended negative consequences on North Dakota's ability to attract and retain data centers.

**Concerns with HB 1579**

- 1. The Bill is Premature and Lacks a Comprehensive Understanding of the Industry**  
Data centers are a fast-evolving sector that requires speed, certainty, and consistency in regulatory frameworks. The proposed changes would introduce new requirements for a Certificate of Public Convenience and Necessity (CPCN), a process historically reserved for public utilities, not private businesses investing in critical infrastructure. Before implementing such a significant regulatory shift, we need a thorough study to assess its potential impacts on investment, economic growth, and energy infrastructure.
- 2. Creates Regulatory Inconsistencies Across the State**  
The bill risks unequal application of regulations depending on where a data center is located. North Dakota has a mix of utility providers, including investor-owned utilities, rural electric cooperatives, and municipal utilities, each operating under different regulatory structures. This legislation could create disparate treatment of data centers, depending on their location, picking winners and losers based on geography rather than fair and transparent policy.
- 3. Data Centers Need Speed and Certainty to Succeed**  
The requirement for a CPCN process for large customers adds complexity, cost, and delay to data center development. Companies looking to establish or expand operations in North Dakota need clear and predictable regulations. Burdensome regulatory processes could discourage investment and push companies to other states with more business-friendly environments.

4. **North Dakota Should Focus on Proactive Planning, Not Reactive Regulation**

We recognize the concerns that led to the introduction of HB 1579, particularly grid reliability and responsible growth of large energy consumers. However, the right approach is to study the issue thoroughly—considering input from utilities, data centers, economic development leaders, and policymakers—before enacting policies that could have unintended negative consequences.

**Proposal: Amend HB 1579 into a Legislative Study**

Rather than advancing HB 1579 in its current form, we strongly encourage the committee to amend the bill into a legislative study that would:

- Assess the impact of large energy consumers, including data centers, on grid reliability and infrastructure needs.
- Examine best practices from other states to determine regulatory approaches that balance economic growth with responsible energy use.
- Engage stakeholders—including data centers, utilities, and economic development organizations—to develop recommendations for a future policy framework that supports both business investment and grid stability.

North Dakota has an opportunity to be a leader in data center investment and next-generation digital infrastructure. However, overly restrictive or premature regulations could send the wrong message to potential investors. A deliberate, well-researched approach through a legislative study will provide the necessary insights to craft a policy that strengthens our economy, ensures energy reliability, and positions North Dakota as a national leader in the data center industry.

For these reasons, we respectfully urge the committee to oppose HB 1579 in its current form and amend it into a legislative study. Thank you for your time and consideration.