

January 31, 2025

Honorable Chairman Porter and Committee Members,

Applied Digital Corporation (Nasdaq: APLD) is a designer, builder and operator of next-generation digital infrastructure for High Performance Compute ("HPC") applications. Applied Digital has been active in North Dakota since 2021. We've greatly appreciated the collaborative spirit of the state and the opportunity to work with North Dakota employees, contractors, and local and state officials. Our facilities north of Jamestown and in Ellendale reflect the strong partnerships we've built. To date we have invested over \$1B in infrastructure in North Dakota and anticipate roughly \$4B more in the coming years. According to our economic impact study, conducted by a third party earlier this year, we anticipate becoming a top-ten property tax payer in the state within the next few years. We believe this will create roughly 14,000 temporary and permanent jobs during construction. We anticipate we will be responsible for nearly one-half of a percent (0.5%) of state GDP. Our permanent employment footprint at our facilities is expected to be roughly 400 jobs. According to the study, we anticipate there will be roughly 2,500 indirect jobs as a result of our projects. **Our Ellendale project directly resulted in \$5.4 Million being returned to MDU's North Dakota rate payers in 2023 and MDU is projecting that it will directly result in \$14 Million being returned to MDU's North Dakota rate payers in 2024.** We recognize that not every large load project in North Dakota has produced the same positive results that our projects have and appreciate the effort to assist in avoiding the mistakes of projects that have not gone as well. However, **North Dakota House Bill HB1579 could produce unintended consequences that we believe may not be the most effective solution considered to improve future outcomes.**

We understand and have received a copy of an intended amendment to the bill, thus our commentary below is related to the proposed amendment as received on January 28, 2025.

Positively, the amendment moves the bill from specifically calling out Data Centers and instead places the onus of its requirements on all "large customers" defined as loads greater than 50 megawatts. We applaud the effort to amend this bill so it no longer singles out a specific industry, as any large load could positively or negatively impact the grid. Hence, this change is appropriate.

Negatively, we have concerns that the amendment could limit the ability of large customers to participate in other Certificate of Public Convenience and Necessity ("CPCN") proceedings that may directly impact their interests. The amendment imposes a requirement for "large customers" to obtain a CPCN and creates a complaint process under Section 49-03-02(4) whereby electric public utilities and rural electric cooperatives can file a complaint with NDPSC, and the NDPSC may respond by either denying a CPCN application or attaching conditions to a large customer's CPCN. This text seems to imply that the only intervener in the CPCN proceeding for a large load shall be an electric public utility or rural electric cooperative. We believe that if large customers are going to be required to obtain a CPCN prior to operating, **other large customers ought to have the express right to intervene in the CPCN process as they are likely to be impacted by another large customer interconnecting to the grid in the largest dollar amounts.**

Historically, the CPCN process has strictly governed regulated public utilities. Expanding the CPCN process to include end-use customers is a new concept and our belief is that more time is needed to contemplate this change.

We urge the committee not to advance this legislation at this time and to provide this additional time to make sure that we get this right before rushing to pass a bill for the sake of getting something done immediately. We agree wholly that this is an important issue, but are unsure if this is the correct solution.

Thank you for your time and consideration. Please feel free to contact me for further information. We look forward to continuing our partnership with North Dakota.

Sincerely,

Etienne Snyman

Etienne Snyman
Executive Vice President of Power

