



North Dakota Association of Rural Electric Cooperatives  
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January 31, 2025

To: House Energy and Natural Resources Committee, Rep. Todd Porter, Chairman

Re: Opposition to HB 1579

From: Zac Smith, communications and government relations director, NDAREC


Chairman Porter and members of the committee, for the record, my name is Zac Smith, and I serve as the director of communications and government relations for the North Dakota Association of Rural Electric Cooperatives in Mandan. On behalf of the 17 distribution cooperatives and five generation and transmission cooperatives who are members of our association, I am testifying in opposition to HB 1579. Electric cooperatives take great pride in our role in powering North Dakota's economic growth.

You will hear from my membership about their diligence, planning, and coordination to develop new growth. Cooperatives have processes in place to determine if service is feasible for a new, large load. Members who require large amounts of power are not added to the system unless it makes sense for the cooperative and their wholesale power provider. And it is never done to the detriment of the existing member.

After I speak, you will hear from Todd Sailer, Minnkota Power Cooperative's Vice President of Power Supply, about the diligence and processes a cooperative goes through before adding load. You will also hear from Matt Hanson, CEO of McKenzie Electric Cooperative, about his cooperative's experience managing explosive growth, while taking a deliberate approach to powering the Bakken. I have also included some information from Basin Electric Power Cooperative about their investment in North Dakota generation and transmission.

However, I want to briefly speak to the mechanics of the amendment to this bill. HB 1579 with amendment 25.1252.01001 will take certificates of public convenience and necessity, a process typically reserved for settling territorial disputes between cooperatives and investor-owned utilities, and make the large load end user file with the Public Service Commission, regardless of where they plan to get their power. While the power provider and customer will have worked through several in-depth processes that will be explained by those who follow me, the amendments to this bill will place one final hurdle at the Public Service Commission, in which a large load end user's ability to get power from an incumbent utility may be denied or conditioned. The amendments will replace all the experts who are charged with maintaining

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the grid at the distribution, generation and transmission utilities, regional transmission organizations (RTOs) and the Federal Energy Regulatory Commission (FERC), giving final and ultimate authority the Public Service Commission.

Although the commission's jurisdiction does result in some ancillary regulation of cooperatives in areas such as siting and electrical safety, this would require the commission to delve deeper into areas in which the Commission does not currently have jurisdiction. Namely, whether the commission will allow a cooperative to serve in its own territory. Rather than settle territorial disputes and protect consumers from for-profit utilities, the commission will now have final say over the electric cooperative member-owners, a cooperative's elected board of directors, regional transmission organizations and FERC.

Cooperatives have invested billions in the last decade to build both generation and transmission infrastructure in North Dakota and have plans to invest billions more. We have maintained and defended our baseload generation. The proposed amendments to HB 1579 are a broad regulatory expansion that infringes on our elected directors' ability to govern their cooperatives and dilutes the intention of the Territorial Integrity Act. All in the name of solving a congestion problem which should be owned by those who have failed to invest in the region and signed an agreement that functioned exactly as it was designed.

If there is a need for transparency beyond all the public documents filed with the RTOs and FERC, then address that issue directly without putting the PSC in the position to deny or condition development. I urge a "do not pass" on the proposed amended version of HB 1579.