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January 31, 2025

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

From: **Matt Hanson, CEO of McKenzie Electric Cooperative, Watford City**

Re: Opposition to HB 1579 amendments

Chairman Porter and members of the House Energy and Natural Resources Committee, for the record my name is Matt Hanson, and I am the CEO of McKenzie Electric Cooperative. I am testifying today in opposition to the proposed amendments to HB 1579. McKenzie Electric Cooperative provides electric service to nearly 15,000 meters across 7 counties in North Dakota and Montana. McKenzie Electric is among the top 10 largest electricity retailers of the over 900 plus rural electric cooperatives in the nation.

Over the past decade, McKenzie Electric has been at the front and center of supporting the oil and gas development in northwestern North Dakota. In just the last 10 years, McKenzie Electric has successfully planned for and brought on almost 600 megawatts (MW) of new load, successfully navigating double-digit annual growth rates. We have done this without a significant impact to legacy members, as we ensure cost causers are the cost payers and follow solid utility and good governance practices at the cooperative. In fact, there has been a huge benefit to the membership of McKenzie Electric with the large amounts of new infrastructure that has been installed, establishing a very reliable and resilient electric system, along with the benefits of growth.

The story has not been without its own sets of challenges, and the process requires an immense amount of coordination, planning and communication.

To provide a small glimpse into the robust process of meeting the energy needs of our members, it starts with a good understanding of the needs of the electric consumer. Then, we must communicate and coordinate with our transmission providers and wholesale power providers, many times years in advance. It requires a host of utility experts that understand utility planning, utility operations, regulations, compliance and a host of other specific areas. While this process is robust, we always consider the cost and reliability implications. McKenzie Electric's track record over our 80 years of existence demonstrates our priority and focus on serving our membership with safe, reliable, and affordable electricity.

As many of you can relate, the number of obstacles and challenges are not going away. Adding more regulatory steps as proposed in the amended HB 1579, where existing processes and regulation already exist, does not seem to make sense.

The Bakken development has been fast paced over the last decade plus, and McKenzie Electric's position and approach, in my mind, is a huge reason we were successful at getting the electric infrastructure in place to meet the demands. I can only speculate what the impact would have been if we were not able to meet the electricity needs in the necessary timeframes due to additional hurdles.





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As I look to the future, electric demand is going to continue to increase. However, the concern is not siting new loads, as there are solid processes in place to navigate this. Rather, it's the need to build generation and transmission to meet not only the growing demand for electricity, but the current aging infrastructure and retirement of always-available generation.

It really comes down to an equation of pace and timing. Following the process ensures integrity of the electric system. Sure, McKenzie has had to say no to new requests until the system is ready, but the process works. McKenzie's story is a success story for not only the members of the cooperative, but for so many others.

I strongly urge the committee to give a "Do Not Pass" recommendation to the amended HB 1579.

