



North Dakota House of Representatives

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Mr. Chairman and members of the committee:

For the record, my name is Anna Novak, representative from district 33. HB1539 relates to backup generation for large electricity users. This bill is coming at the request of data centers looking to invest and locate to the state; however, there are other large energy users in which this might apply to in the future.

Currently, the definitions under the PSC's Siting Act are broad and would require siting for generation types that are outside the scope of what the Siting Act was intended to regulate. Under the Siting Act, any electric generation (other than wind and utility storage) that exceeds 50MW must be sited. The result is that if an entity has onsite back up generators for example, they would fall under the PSC's siting jurisdiction if it exceeds the 50MW threshold. This bill creates a new definition for "backup electric generation" by defining backup electric generation as electric generation that is not interconnected to the electrical grid to supply power, and is used in the event that the primary grid power is unavailable - like a blackout.

The current definition should be updated to keep up with technology and the needs of businesses such as data centers, manufacturing or other industries that may require large amounts of highly-reliable power. Backup generation is not like power generation that is intended to be interconnected to the grid and run for long lengths of time. Local jurisdictions already have the opportunity and are best suited to evaluate siting of these businesses. Environmental protections are still required despite this change. The new definition will enable businesses to innovate and invest without being overly burdened by dozens of state and federal agencies. In the case of data centers, backup generation is needed on-site and is incidental to the business. The generators themselves are relatively small, not interconnected to the grid and are prohibited from running more than 239 hours per year.

HB1539 makes two changes to the Century code. Under CC 49-22-03 on page 1 of the bill, lines 8-10, it defines what "backup electrical generation" is. The other change is on page 3, line 27, which adds the words "excluding onsite backup electric generation", under the definition of "electric energy conversion facility". One very important word in the definition is "onsite", so the generation facility can't be miles away - it has to be right there, onsite. I believe this word prevents any potential of an entity trying to work around going through the PSC's siting act process.

With that, Mr. Chairman, I'd be happy to answer any questions. Thank you!