

**SB 2339 Testimony in Support
Senate Energy & Natural Resources Committee January 31, 2025**

Chairman Patten and members of the Senate Energy & Natural Resources committee, thank you for the opportunity to speak today. I'm Anne Sherwood, Area Vice President, Wildfire Mitigation, Regulatory and Policy, with Xcel Energy. Xcel Energy has had the privilege of serving roughly 158,000 electric and gas customers in North Dakota since 1908.

We are here today to talk about wildfire risk in North Dakota. Unfortunately, we know that wildfire risk is not limited to one state or one area of the country but is affecting more areas of the country than ever before. Last year in North Dakota, we experienced 17 red flag warning days with a total of 291 red flag warning events; and last October was a particularly devastating month with over 100,000 acres burned across the state. We know some of you on the committee were personally affected by these fires.

Xcel Energy supports the passage of SB 2339, and this committee's leadership in proactively addressing the risk posed by catastrophic wildfires. SB 2339 incentivizes prevention and protection for communities and customers from wildfire risks, and the associated cost of wildfire events, and ensures that electric companies can continue to invest in a more resilient and reliable energy system.

Xcel Energy's commitment has always been and will remain providing safe, reliable and affordable energy to the communities and customers we are privileged to serve. Xcel Energy recognizes the increase in extreme weather events, including catastrophic wildfires, and is proactively engaged in investing in our system to mitigate wildfire risk.

Last year, Xcel Energy published a Wildfire Mitigation Plan and a Public Safety Power Shutoff Plan for North Dakota. Xcel Energy's goal with these plans is clear: prevent catastrophic wildfires before they happen. To achieve this goal, Xcel Energy uses a comprehensive approach and suite of mitigation actions, which can be broadly bucketed into four general categories:

- 1) Situational Awareness
- 2) System Resiliency
- 3) Operational Mitigations
- 4) Customer Support

Situational awareness tools enhance the ability to identify, assess, and respond to a physical or environmental hazard, including wildfires. These include enhanced meteorology capabilities, expanded weather station networks and deployment of AI cameras, and the use of fire spread modeling.

System resiliency involves physical infrastructure investments to directly reduce the risk of wildfire ignitions associated with utility facilities. This includes inspection of system assets, and when appropriate remediation or replacement of identified defects. It also includes vegetation management around facilities to prevent vegetation coming into contact with our system.

Operational mitigations involve adjusting how we operate our electric system in order to reduce the risk of wildfire ignitions associated with our facilities. This includes enabling Enhanced Powerlines Safety Settings (or

EPSS), and as a measure of last resort implementing a Public Safety Power Shutoff (or PSPS). When EPSS is activated, power lines are more sensitive and can instantly stop the flow of energy if an object touches the line. PSPS is a risk reduction strategy in which power is shut off to a targeted area for a limited time when wildfire risks are extremely high. Both EPSS and PSPS are preventative measures only used when the temperature, wind speed, relative humidity and available fuel sources indicate a high risk for wildfires.

Customer support includes directly informing customers regarding wildfire risk and mitigation activities. Xcel Energy knows that outreach to our customers and key stakeholders is critical to implementing the mitigation actions noted above. SB 2339 supports this collective approach to proactively address wildfire risk by encouraging coordination between utility, state, and local wildfire mitigation efforts.

SB 2339 compliments and encourages the approach Xcel Energy is implementing to prevent wildfires, which focuses on ensuring the safety of our customers and communities, and providing safe, reliable and affordable energy. SB 2339 promotes and supports proactively addressing wildfire risks to prevent them before they start, and provides regulatory and financial stability for customers, communities, and utilities operating in North Dakota.

I thank the committee for its time today and I'm happy to answer any questions.