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ROLL NUMBER

DESCRIPTION

3038

2001 HOUSE NATURAL RESOURCES

HCR 3038

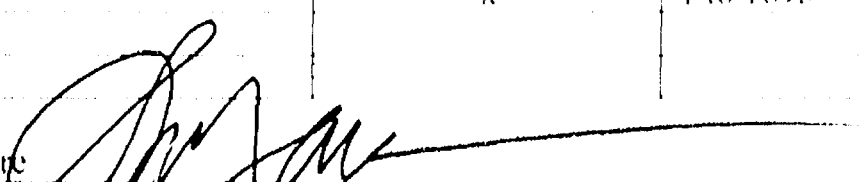
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3038

House Natural Resources Committee

Conference Committee

Hearing Date February 15, 2001

Tape Number	Side A	Side B	Meter #
1		x	1 to 1695
Committee Clerk Signature 			

Minutes:

Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. DeKrey, Rep. Droydal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: I will open the hearing on HCR 3038.

Rep. Kempenich - District 39: HCR 3038 basically is looking at going to the Industrial Commission and Lignite Energy Council on locations of another coal fired generating plant. They have talked about putting in more than one generating plant and our little corner of the world does have the resources for some of this. It is outside of the beaten path. I wanted to keep their attention focused on the SW part of the state. That is basically what the resolution is doing. I spoke with John Dwyer and he couldn't be here, but they had to take a neutral position on it.

Chairman Rennerfeldt: On line 11, what water source would you use?

Kempenich: Gascoyne Lake is right there, it is fairly large. Milton R. Young has Nelson Lake and it is kinda along that idea.

Chairman Rennerfeldt: What feeds the lake?

Kempenich: It is run off from different creeks and it is spring fed to. Even in the dry years it keeps its water levels consistent. I think the water supplies are adequate around there.

Rep. Nottestad: The livestock feeding operation set up in that vicinity - is that something that we would need to displace?

Kempenich: No, they built that over the old mine. It is north of where the tippie is. It is reclaimed. It is the old mine.

Chairman Rennerfeldt: The quality of the coal there, how does that compare?

Kempenich: It is comparable, it does have a little more water content.

Rep. Galvin: How does it compare with the overburden and the thickness of the veins?

Kempenich: It has less overburden and the thickness of the veins are comparable. That vein runs all the way north of Bowman so there is quite a bit of undeveloped stuff out there, but the overburden gets deeper as you go north.

Rep. Winrich: You said you spoke with John Dwyer, and he can't be here, there is not going to be a representative of the Lignite Council at all?

Kempenich: They said that they had a council meeting, so they weren't going to come in. They are an industry organization, they like the idea but they couldn't come in.

Rep. Winrich: In line 8 and 9 you mention that the Gascoyne line was one of the potential 21 sites. Do you know what other sites are being considered?

Kempenich: I didn't look very closely, but they are all located in the western part of the state.

Chairman Rennerfeldt: Any other questions of the committee?

Sen. Bowman - District 39: I am in total support of this resolution. As you know we did have an active mine and because of the overburden, it was one of the most profitable mines in North Dakota. The reason they closed it down was because of the contract with the railroads. We have a good work force down there and a tremendous amount of coal down there. I think we have a 1000 years of lignite reserves. There is also your clean air standards to consider. If you get too many plants in a smaller geographical area, there are sometimes problems with clean air standards. That's another thing they have to look at when picking a site. We are just trying to bring to the attention of the state that we have a lot to offer. All we do is that they consider our area when making the decision, if they make that decision.

Rep. Porter: Who owns the Gaseoyne mine now. I heard that Knife River sold it?

Bowman: I don't know. A division of Knife River. (some discussion from the floor).

Chairman Rennerfeldt: Anyone else wishing to testify in favor of HCR 3038? Anyone opposed to HCR 3038? If not I will close the hearing on HCR 3038.

COMMITTEE WORK

Chairman Rennerfeldt: Should we take this resolution.

Rep. DeKrey: I move a Do Pass.

Rep. Nottestad: I second that.

Rep. Porter: I noticed that resolutions are coming out on the 11th order. Can we put them on the consent calendar? (discussion).

Vice Chair Nelson: Does anyone from the committee know, I visited with the Lignite Council, that there was a problem placing this plant because of the class one air standards around the reservation at New Town. Was that every resolved? That would inhibit that plant.

Tom Disselhorst - Attorney for the Three Affiliated Tribes: We are not a class 1 air area. We are not. We have sought that status to be treated as a state for the purpose of a Clean Air Act, but the Three Tribes and Fort Berthold Reservations are not Class 1 air area. The reason, among others, the Tribe will not seek Class 1 air area is because it too wants to develop those areas. It may in fact seek to locate a power plant in that area at one time. Natural Parks are considered Class 1 air areas.

Rep. Winrich: I guess I am uncomfortable about using the Industrial Commission to promote one particular site over the potential sites of the Lignite 21 project. I think the Vision 21 approach is worthwhile and we should go through with it. As Legislators for the whole state I don't know that we have a basis of saying that one site is better than the rest of them.

Rep. Nottestad: I think in this particular case there is a history that needs to be looked at. They were closed down and that community took a heck of hit when that happened. Those jobs disappeared virtually overnight. That mine was so large, they loaded the unit trains on a continuous basis. Minnesota used the excuse not to buy the coal anymore because of the sulfur content, but that wasn't the case. Here would be a chance for the state to urge that they get something back as a result of that closing.

Chairman Rennerfeldt: In other words they should have priority?

Rep. Nottestad: Yes.

Chairman Rennerfeldt: Any further discussion? Want to take a voice vote.

Rep. Keiser: Why do we want to tell business what to do, in this resolution? I just don't get it?

Rep. Nottestad: The reasons I gave before would be the same. If we have any sense of history, we would help them out. Many of our laws affect business, whether we are saying it or inferring it we are still doing it.

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House Natural Resources Committee
Bill/Resolution Number HCR 3038
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Chairman Rennerfeldt: That is the only thing I see in it. that they should have a little priority. It is up to the committee? Maybe we had better take a roll call vote.

Rep. Droydal: I think it is a good idea. They have an existing mine already. They have the economic deprivation because of the closing.

MOTION FOR A DO PASS

YES, 11 NO, 3

1 ABSENT AND NOT VOTING

CARRIED BY NOTTESTAD

Date:
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3038

House Natural Resources Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO Pass

Motion Made By Rep. DeKrey Seconded By Rep. Nottestad

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman	✓		Lyle Hanson	✓	
Jon O. Nelson - Vice Chairman	✓		Scot Kelsh	✓	
Curtis E. Brekke	✓		Lonnie B. Winrich		✓
Duane DeKrey	✓		Dorvan Solberg		
David Drovdal	✓				
Pat Galvin	✓				
George Keiser		✓			
Frank Klein		✓			
Darrell D. Nottestad	✓				
Todd Porter	✓				
Dave Weiler	✓				

Total (Yes) 11 No 3

Absent 1 absent

Floor Assignment Rep. Nottestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 12:04 p.m.

Module No: HR-28-3487
Carrier: Nottestad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3038: Natural Resources Committee (Rep. Rennerfeldt, Chairman) recommends DO PASS (11 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HCR 3038 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HCR 3038

 **KNIFE RIVER****CORPORATION***A Subsidiary of MDU Resources Group, Inc.*

1915 North Kavaney Drive

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February 14, 2001

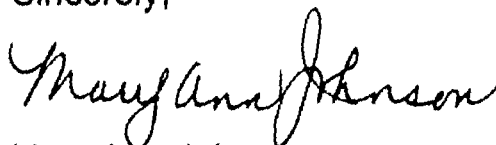
Honorable Kelth Kempenich
Honorable Myron Koppang
Honorable Bill Bowman

This letter is to state Knife River Corporation's support for HCR 3038 which urges the Industrial Commission and the Lignite Energy Council to promote the location of a new lignite-fired generating facility at or near the Gascoyne Mine.

Abundant coal reserves under lease, an excellent labor pool and developed mine plans are factors which weigh in favor of the Gascoyne Mine location.

The Gascoyne Mine was one of the most productive in the state during its years of operation. Had it served an in-state generating facility, the mine in all likelihood would still be operating today.

Sincerely,



Mary Ann Johnson
Vice President - Administration



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Honorable Myron Koppang
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