

2009 HOUSE APPROPRIATIONS

HB 1406

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1406

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: January 19, 2009

Recorder Job Number: 7217

Committee Clerk Signature

Hally N. Sand

Minutes:

Chm. Svedjan called the House Appropriations Committee back to order.

Rep. Steve Zaiser, District 21 took the podium to testify in support of HB 1406. It appropriates money to fund one FTE for marketing of private wind turbines. Rep. Zaiser put forth this bill because many people wonder who the contact to find out about wind energy. The Commerce Department will not support any bill that goes beyond the Governor's budget, although they did like the idea. The appropriation is for \$180,000 with \$50,000 to \$60,000 for salary. This employee would network with the Department of Commerce and the farm organizations to find those people interested in wind energy. If the new administration does what they say they will, there will be many enticements for renewable energy.

Rep. Berg: Last session, we put effort into Empower ND. The concept was that ideas like this would go to the Empower group and they would make a recommendation. Was this presented to them? (4:02)

Rep. Zaiser: It wasn't. It's my understanding that there's enough demand and interest in wind energy but nobody knows where to go and what to do.

Rep. Skarphol: Have you done research to see if there are wind turbines that would service the needs of a homestead, a home, etc.?

Rep. Zaiser: Yes there are turbines that are being designed and built that will meet those needs. They vary in size.

Rep. Skarphol: Do you have any dollar amount as to what the costs would be?

Rep. Zaiser: The paybacks vary depending on the demand, size and price of the turbine. Rep. Zaiser retold a story he had heard of a school in Minnesota that put up a turbine and they paid off the debt after 7 or 8 years and after that the school would have free energy.

Rep. Scot Kelsh, District 11 approached the podium and spoke in support of HB 1406. Many landowners and farmers are interested in wind turbines but don't have the knowledge to have one. This appropriation would give them a place to go for an answer. Rep. Kelsh said that he understands there is an office of Renewable Energy and Efficiency within the Division of Community Services and he thinks this would be an appropriate office for these dollars to go.

Rep. Bellew: Are there any cities in ND that would allow a turbine within their confines? Would their city ordinances allow it?

Rep. Kelsh: The city of Fargo does not allow small wind turbines within any residential areas. This bill is intended address outlying and rural areas that maybe have a greater energy load such as a farm or a small manufacturing facility located in an industrial area. Rep. Kelsh addressed Rep. Skarphol's earlier question about production. He explained that there is a shop in South Dakota that takes older turbines from California, rebuilds them and sells them to farmers. The cost on those units is anywhere from \$10,000 to \$20,000 depending on the capacity.

Rep. Meyer: The Sacred Heart Monasteries in Richardton have had this concept for a long time. Is it correct that if they generate more energy, the electric company has to purchase that power from them? Would this be the same thing in a residential situation?

Rep. Kelsh: Yes. There is a difference though. If you are currently served by an IOU (Investor-Owned Utility), they have to pay full retail cost. If you're on an REC, they only have to pay their offset costs (the cost for them to do business minus what your cost of electricity is). (12:00)

Rep. Nelson, District 7, spoke in favor of HB 1406. I think there is an error in the definition of the person who could be a recipient for these private wind turbines. That could include a number of commercial applicators that have been doing business in the state. I don't think intention of this bill was to include them in this. An amendment would be necessary to further define the type of recipient of these turbines. There are private companies such as John Deere utilizing federal grants and they place wind turbines in some states on farms and small businesses and take advantage of the federal tax credit and then turn the turbine over to the landowner when the tax credit time period is over. There is a great need for technical assistance.

Chm. Svedjan: Anyone who has the idea that he wants to do this is a fairly enterprising person and wouldn't be totally without resources. Chm. Svedjan expressed that he felt many questions could be answered by looking online. He wondered why the Committee would want to appropriate \$180,000 to a person when the answers are probably available right now. (15:54)

Rep. Nelson: In some cases, the landowners with wind turbines are visionary. Most of these wind turbines weren't designed for private use and that's where the difficulty arises. Maybe they can find some information on the Internet but I'm not familiar enough to know where they'd go.

Rep. Wald: The two previous sponsors talked about the great interest and demand, so why do we need to "recruit and encourage individuals and businesses to install and operate private wind turbines?" Can these function without a subsidy?

Rep. Nelson: It would be irresponsible of the wind energy industry not to take advantage of the subsidies or tax credits that are available. At this time, wind energy is as affordable as any power that we have on the grid, with the federal tax credits.

Chm. Svedjan reminded the Committee that what is at issue has nothing to do with suppliers. It has to do with one FTE. The other details are almost irrelevant.

There was no other testimony in support of HB 1406.

Eric Aasmundstad, President, North Dakota Farm Bureau spoke in opposition to the bill.

We heard the terms "great interest" and "great demand" and it would seem to us that those things would translate into a business opportunity rather than a growth in government. The information exists if people are truly interested in developing these resources individually.

(20:02)

Seeing no more testimony, Chm. Svedjan closed the hearing on HB 1406

Rep. Wald moved a Do Not Pass to HB 1406. Rep. Bellew seconded the motion. The motion carried by a roll call vote of 15 yeas, 8 nays and 2 absent and not voting. Rep. Wald will carry the bill.

Date: 1/19/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1406

Full House Appropriations Committee

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Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Wald Seconded By Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken	✓		Rep. Williams		✓
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim		
Rep. Thoreson	✓		Rep. Kaldor		✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson		✓			
Rep. Wieland	✓				

Total (Yes) 15 No 8

Absent 2

Floor Assignment Rep. Ward

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

REPORT OF STANDING COMMITTEE (410)
January 20, 2009 3:30 p.m.

Module No: HR-10-0620
Carrier: Wald
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1406: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO NOT PASS** (15 YEAS, 8 NAYS, 2 ABSENT AND NOT VOTING). HB 1406 was placed on the Eleventh order on the calendar.