

2015 HOUSE ENERGY AND NATURAL RESOURCES

HCR 3024

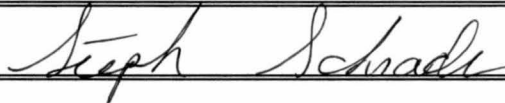
2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HCR 3024
2/12/2015
Job # 23727

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in the Northern Great Plains.

Minutes:

Attachments 3

Chairman Porter opens hearing.

Randy Christmann, Commissioner- Public Service Commission
Written testimony #1

Rep. George Keiser: The 111d rules on carbon emissions have been promulgated, are they in the comments period what is the time frame of the development for those rules?

Christmann: Right now they are evaluating the comments. They thought they would issue a final rule in June. I expect the final rule to come out next summer.

Representative Vernon Laning, District 8
Written testimony #2

Tyler Hamman Director of Government Affairs- Lignite Energy Council
Written testimony #3

Rep. George Keiser: What are we doing, from a research stand point and management stand point, to deal with these rules?

Hamman: Over the last couple of decades utilities have invested about 2 billion dollars to make their plants more efficient and to scrub out some of the criteria pollutants like mercury and sulfur. As far as the future, we are looking at technology that is 100% carbon capture. It's a whole new type of power plant, new technology that would turn coal into syn gas, which is turned into super critical carbon dioxide that is used in a turbine as opposed to steam. It's in the early development stages; we're a decade out from doing this. Whereas,

some of these regulations being pushed by the EPA are being implemented now. We're not opposed to it; we just need time to develop the technology.

Dale Niezwaag, Basin Electric Dakota Gas Co.

Going back to Rep. George Keiser question, the technology that Mr. Hamman talked about is something we think has real promise. We are also supporting research at the EERC to see how carbon dioxide can be used in the Bakken Formation to produce oil.

Rep. Glen Froseth: Carbon dioxide is presently being used in oil fields from the gasification plant in Beulah.

Niezwaag: The carbon dioxide that is shipped to Canada is used for tertiary oil recovery but it's used on the vertical wells. In the Bakken, with the horizontal wells, it's a whole new situation. EECR has determined that pressurized carbon dioxide put into a horizontal well, has the potential to get out up to 90% of the oil, instead of the 5% or 6% we're getting now.

Opposition:

None

Chairman Porter closes hearing.

Chairman Porter: In the past when we've dealt with these types of resolutions of a critical nature, we've inserted language that we're sending copies of this resolution certified mail, return receipt requested. So that we are assured that it's getting to someone who has to actually sign for and send the receipt back to us.

Rep. Mike Nathe: So moved

Rep. Curt Hofstad: Second

Chairman Porter: On line 13 after the word "resolution" insert "certified mail return receipt requested."

Voice vote: Motion carries.

Rep. Curt Hofstad: Moves to Do Pass HCR 3024 as amended.

Rep. Mike Nathe: Second.

Rep. George Keiser: Carrier.

Vote: Yes 12, No 0, Absent 1. Motion carries.

15.8200.01001
Title.02000

Adopted by the Energy and Natural Resources
Committee

February 12, 2015

AK
2-12-15

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3024

Page 3, line 13, after "resolution" insert "by certified mail, return receipt requested,"

Renumber accordingly

Date: 2/12/15
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. ~~18~~ HCR 3024**

House Energy and Natural Resources Committee

Subcommittee

Amendment LC# or Description: See below

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Nathe Seconded By Rep Hofstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter			Rep Hunskor		
Vice Chairman Damschen			Rep Mock		
Rep D Anderson			Rep Muscha		
Rep Brabandt					
Rep Devlin					
Rep Froseth					
Rep Hofstad					
Rep Keiser					
Rep Lefor					
Rep Nathe					

Voice Vote
CARRIES

Total (Yes) — No —

Absent —

Floor Assignment Rep NA

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

To add on line 13, after the word "resolution," insert, "certified mail, return receipt requested."

Date: 2/12/15
 Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. ~~HB~~ HCR 3024**

House Energy and Natural Resources Committee

Subcommittee

Amendment LC# or Description: 15.8200.01001

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Hofstad Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hunskor	✓	
Vice Chairman Damschen	✓		Rep Mock	A	
Rep D Anderson	✓		Rep Muscha	✓	
Rep Brabandt	✓				
Rep Devlin	✓				
Rep Froseth	✓				
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Lefor	✓				
Rep Nathe	✓				
	✓				

Total (Yes) 12 No 0

Absent 1 (Mock)

Floor Assignment Rep Keiser

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

REPORT OF STANDING COMMITTEE

HCR 3024: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3024 was
placed on the Sixth order on the calendar.

Page 3, line 13, after "resolution" insert "by certified mail, return receipt requested,"

Renumber accordingly

2015 SENATE ENERGY AND NATURAL RESOURCES

HCR 3024

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

HCR 3024
3/27/2015
25523

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in the Northern Great Plains.

Minutes:

3 Attachments

Chairman Schaible opened the public hearing on HCR 3024.

Representative Laning: District 8. See attachment #1. (:35-3:53)

Chairman Schaible: What happens to the states that do not comply?

Representative Laning: They are continually under watch and urged to get in compliance. If they do not make efforts they are facing fines and are restricted on further development.

Randy Christman: Public Service Commission. See attachment #2. (5:19-9:32)

Senator Triplett: Isn't it a fact that a fair amount of push for what the EPA is currently doing with carbon comes from the Supreme Court and the interpretation of the Clean Air Act?

Randy Christmann: That is their angle in going after it but to the extent to which they regulate the rules they promulgate to enforce that are not defined by the Supreme Court and not any law.

Senator Triplett: Congress could at any time redirect the attentions of the EPA.

Randy Christmann: The agency is going to answer to the president. Laws can be changed at which time the issue is determined that the CO2 we exhale is a pollutant. More years will pass but in the meantime they will interpret it that way.

Senator Triplett: If we are going to do something then it ought to be more specifically directed to Congress as it is talking about regulations. The EPA is doing what the court is

willing them to do. If we are going to do this it should be directed pointedly at Congress who makes the rules in the first place.

Randy Christmann: I would disagree, the fine detail that they are set to release to this summer. The Supreme Court, any law, no one ever when into the detail of what they are promulgating. They choose to look at the whole year and see how it impacts how it affects our utilities.

Senator Triplett: More concerned about getting it there quickly.

Randy Christmann: Quickly and keep repeating it as long as it is under discussion.

Jason Bohr: Lignite Energy Council. See attachment #3. (15:29-17:27)

Dale Niezwaag: Basin Electric. Back in 2010-2012 we looked at capturing CO2 from plants. We have a \$100,000,000 grant and wanted to take a portion of the gas and use it for this. At the time we could not get a guarantee and we are encouraged that elite has performance guarantees. The industries are working towards the goal. Currently to move us towards that we are looking for some funding for the ADAM cycle, how we can use CO2 to recover more oil from the Bakken. Our concern and support for the resolution is that if we walk away from Lignite then we walk away from Coal.

There was no further testimony or discussion and Chairman Schaible closed the public hearing on HCR 3024.

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

HCR 3024
4/2/2015
25753

- Subcommittee
 Conference Committee

Committee Clerk Signature

Katie Oliver

Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in the Northern Great Plains.

Minutes:

Chairman Schaible opened the committee work on HCR 3024.

Senator Triplett made a motion for a do not pass with a second by Senator Murphy.

Senator Triplett: As you all know that I stand up against these things often; I do not think things like this waste the time of the state. It is just such a litany of negativity; our state health department put together a proposal and that is how our system works. Why would we even mention that? This whole thing has a feeling of being picked on.

Vice Chair Unruh: Senator Triplett is correct we are being picked on, there has been a war on coal for years and our hands are tied at the state level. We can do absolutely nothing about them, the governor and the Attorney General are doing everything that they can to help us and this is a good step.

Senator Triplett: I respectfully disagree with the idea that the legislature can't do anything. We have given the Attorney General's office money for litigation to sue the federal government. If we didn't want the Attorney General to be engaged we would cut him off but that is our job to make sure that the office of the Attorney General has adequate resources. Our agencies work together with the governor's office and analyze policy to make sure it's fine. We have also passed specific legislation regarding the oil industry which we said that the act of fracking was considered an acceptable process within North Dakota and it was much discussed in the country. In my opinion, the coal industry in North Dakota I think that our coal and coal fired has been slow to accept regulations and there has been a holdup for 15-20 years and are finally going into effect this spring. There is some point in which they should consider and even though there are wide open spaces the science suggests that having mercury in the air is bad and I know that our industry has put a lot of money into retro fence but they have done it always late, always protesting, always at the last minute.

Senate Energy and Natural Resources Committee

HCR 3024

04/02/2015

Page 2

There was no further discussion, roll was taken and the motion failed on a 2-5-0 count.

Vice Chair Unruh then made a motion for a do pass with a second by Senator Armstrong, roll was taken, the motion passed on a 5-2-0 count with Vice Chair Unruh carrying the bill to the floor.

There was no further discussion and Chairman Schaible closed the committee work on HCR 3024.

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 3024**

Senate Energy and Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Senator Triplett Seconded By Senator Murphy

Senators	Yes	No	Senators	Yes	No
Chairman Schaible		X	Senator Murphy	X	
Vice Chair Unruh		X	Senator Triplett	X	
Senator Armstrong		X			
Senator Hogue		X			
Senator Laffen		X			

Total (Yes) 2 No 5

Absent 0

Floor Assignment _____

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

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 3024**

Senate Energy and Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Vice Chair Unruh Seconded By Senator Armstrong

Senators	Yes	No	Senators	Yes	No
Chairman Schaible	X		Senator Murphy		X
Vice Chair Unruh	X		Senator Triplett		X
Senator Armstrong	X				
Senator Hogue	X				
Senator Laffen	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Vice Chair Unruh

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

REPORT OF STANDING COMMITTEE

HCR 3024, as engrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends DO PASS (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3024 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HCR 3024

2/12/15
3024

1

HCR-3024

Presented by: Randy Christmann, Commissioner
Public Service Commission

Before: House Energy and Natural Resources Committee
The Honorable Todd Porter, Chairman

Date: February 12, 2015

TESTIMONY

The North Dakota Public Service Commission supports passage of House Concurrent Resolution 3024. The Public Service Commission agrees with the bill sponsors that the federal government should refrain from imposing regulations and other administrative actions that limit the ability of our utilities to continue providing low-cost and reliable power. We have been working on these issues for some time already, and along with encouraging passage of HCR 3024 I want to give you a very brief update on the Commission's efforts.

One of the primary threats to the electric power system in North Dakota is the EPA's proposed regulations on carbon emissions. The Commission held a symposium on EPA carbon regulation in January of last year in Bismarck. Then in September we did a conference in Fargo titled "Electric Reliability: Keeping the Lights on in North Dakota." We received excellent information at these sessions, not only from North Dakotans but also from people from around the region and nation, including FERC Commissioner Tony Clark. An additional comment period was held in October which gave electric utilities, electric cooperatives, other interested stakeholders, and the public a chance to share their comments with the PSC. We then filed our comments on the EPA's 111d proposal. One of the

major concerns outlined in the Commission's comments was our belief that the proposed rule is not authorized by federal law and takes away the Commission's authority to regulate utilities, oversee planning of resources, and address the projected significant increases in demand for electricity.

I personally believe that the President, through the EPA, will dismantle our dependable and affordable electric system if these rules are adopted. They will replace the system of today with arbitrary objectives based on false facts. Sadly, they seem more concerned about appeasing the environmental activists than about maintaining the proper functioning of the electric system.

Another threat to our electric system is a lawsuit demanding a more intense look at new leases of federal coal, as well as any changes to existing federal coal leases. We believe that this lawsuit could delay all leasing activity for many years. This would devastate North Dakota power producers who rely on coal because federally owned coal tracts are mixed with privately owned tracts. If we have to mine around those federal tracts costs will skyrocket. The Commission has filed as an intervenor in that case.

These are just two of the many areas where federal action threatens our electric system.

While the Commission continues its efforts to protect consumers, we commend these sponsors and encourage the Legislature to add its respected voice to the chorus of people imploring the federal government to reconsider their actions.

2/10/15
3024

#2

Introduction of HCR 3024

Good Morning Mr. Chairman and committee. For the record I'm Vernon Laning, District 8 Representative and I'm here today to introduce HCR 3024.

This resolution simply urges the federal government to stop enacting regulations that threaten the largest single source of electrical power in the United States. That being coal fired electrical power plants.

President Obama made no secret of his disdain for coal early in his term when he stated he would not try to outlaw coal usage – he would just make it too expensive for anyone to utilize. His administration has held true to that through extremely burdensome regulations that add a tremendous cost to burning coal. The Environmental Protection Administration (EPA) has been on the attack against coal for years. First through sulfur dioxide removal, then removal of nitrous oxides, then even more sulfur removal, then came mercury removal – of which there was almost nothing to begin with, and now they are pursuing removal of carbon dioxide or CO2 which is needed by every green plant on the planet and is in a total atmospheric concentration of only 0.04% to begin with. Of course they justify that action with one of the biggest hoaxes yet in the form of man influenced global warming.

Despite all their efforts which in the end cost the consumer billions of dollars in increased electrical costs, none of us can detect any improvement in our air quality. In fact North Dakota has continued to be one of only a few states that fully comply with the EPA's best rating of class 1 air standards which is multiple times cleaner than what EPA designates as harmful to your health.

This somewhat lengthy resolution lists several whereas examples of how coal has been targeted by the EPA and other agencies of the federal government as well as some of the positive aspects especially for us in the upper Midwest. It then presents several resolves including urging the federal government to refrain from further regulations, urging the EPA to refrain from finalizing CO2 regulations, urges the federal government to recognize the significant environmental efforts already implemented and base any future regulations on sound science, plus it encourages the lignite industry to seek other technological solutions and to challenge regulations that negatively impact our ND lignite industry.

I will be followed by others in support of this resolution, Mr. Chairman but I would like to request you give this resolution a needed DO Pass recommendation.

Thank you, Mr. Chairman and committee.

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2/12/15

HCR 3024

#3

**Testimony on HCR 3024
Lignite Energy Council
Presented before the House Energy and Natural Resources Committee
February 12, 2015**

Chairman Porter, members of the committee, I would like to offer this testimony in support of House Concurrent Resolution 3024. This resolution describes a number of the regulations and actions currently being implemented at the federal level that directly threaten the lignite industry in North Dakota and its ability to continue providing reliable, environmentally-responsible, and affordable power to the Upper Midwest.

Last session, the legislature approved a similar resolution that took aim at regulations being undertaken by the U.S. Environmental Protection Agency. Unfortunately, federal overreach has expanded beyond just the EPA and this resolution takes those additional challenges into account.

When you take into account the EPA's proposed regulations on carbon dioxide emissions from existing plants, their de facto ban on new coal-fired power plants, the Administration's ongoing expansion of a stream buffer rule, new guidance on coal leases on federal land, the recent emissions agreement with China, and the EPA's proposed regulation on Ozone, it is not hard to ascertain why many have characterized this agenda as a "war on coal."

The coal industry is not anti-regulation, and the State of North Dakota has proven that government can balance responsible coal development with environmental stewardship and the needs of the people. We believe that the federal government should follow the example set by this state and its commonsense regulation of the lignite industry, and this resolution would effectively deliver that message.

The Lignite Energy Council appreciates Representative Laning, the cosponsors of this resolution, and the North Dakota legislature for their continued support and recognition of the lignite industry's strong track record of success in providing affordable and reliable electricity, 17,000 jobs, and billions in economic activity to the State of North Dakota and the region.

I urge this committee's favorable consideration of this resolution and would be happy to answer any questions. Thank you for your time.

Introduction of HCR 3024 -March 27, 2015
Senate Energy and Natural Resources Committee

Good Morning Mr. Chairman and committee. For the record I'm Vernon Laning, District 8 Representative and I'm here today to introduce HCR 3024.

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I will be followed by others in support of this resolution, Mr. Chairman but I would like to request you give this resolution a needed DO Pass recommendation.

Thank you, Mr. Chairman and committee.

HCR-3024

Attachments 2

Presented by: Randy Christmann, Commissioner
Public Service Commission

Before: Senate Energy and Natural Resources Committee
The Honorable Donald Schaible, Chairman

Date: March 27, 2015

TESTIMONY

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Testimony on HCR 3024
Lignite Energy Council
Presented before the Senate Energy and Natural Resources Committee
March 27, 2015

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