

**2017 SENATE ENERGY AND NATURAL RESOURCES**

**SCR 4008**

# 2017 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Fort Lincoln Room, State Capitol

SCR 4008  
2/16/2017  
Job # 28447

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



**Explanation or reason for introduction of bill/resolution:** Urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in ND and to increase its support for research, development, and deployment for next generation carbon-based energy generation.

### Minutes:

Attch#1=Sen Casper; Attch#2=Jason Bohrer;

### Attendance was taken. All committee members present.

**Chairwoman Unruh:** Called the committee to order. Open hearing on SCR4008.

**Senator Jonathan Casper,** Dist. 27, Fargo, ND: (see Attch#1) (.05 – 4.42) I am here in support SCR 4008. I support ND coal industry. The cost of energy is very important. I travel around the state and meet with various groups. Talking to manufacturing companies, their number one expense is energy and electricity. For a state that wants to grow and diversify our economy, it is important that we maintain and grow our energy producing industry. Unfortunately, we have to fight the federal government on these issues. We need to make a statement to Washington, DC. that we will work to maintain our industry here.

**Jason Bohrer,** Pres. & CEO Lignite Energy Council, Bismarck, ND: (see Attch#2) (5.00-7.45) I am here to support SCR 4008.

**Vice Chair Kreun:** Washington and Oregon are reducing their power plants; they still will have to buy a baseline load off of the transmission system. So this gives us the opportunity to expand and grow some of the potential we have to build another plant. The resources are there to do that.

**Jason:** You are so right. What is going on in USA is unprecedented which is a flat electric growth and demand. When someone buys an electric car, it adds 30% to our demand. That will happen more and more. As other states drop off with coal, they will eventually realize that you do need that baseline power; and there will be a race to provide that baseline power. With the right technology, we will be in apposition to say 'we just gave you another option on baseline power'. You could use an old traditional coal plant. We will be competing with natural gas. There will be technology breakthroughs in battery storage that will allow us to compete with wind. This resolution is the start.

**Sen. Cook:** Is the baseline for electricity in ND flat?

**Jason:** Not flat, and one of the few states that has grown.

**Sen. Cook:** Are we looking into the future to see what ND needs?

**Jason:** Absolutely. We feel we need to double on what we currently have on line in ND in next 15-20 years.

**Sen. Cook:** How much of that needs to be sustainable?

**Jason:** All of it. In all ways.

**Sen. Cook:** Can you put a number on what we use right now?

**Jason:** We are using about 2.5 in ND. We are looking at increasing that demand by more than 3 megawatts.

**Sen. Cook:** I am confused with kilowatts.

**Jason:** Not good at metric system. It is kilowatts. 3000 megawatts that we are currently using. Up to one gigawatts would be needed.

**Sen. Roers:** What is increasing the demand in ND? Is there another market outside of ND you can talk about?

**Jason:** In 2013 there was a study that said the growth was attributed to the oil industry growth. That has slowed down somewhat. We are still expecting a growth. The time line is stretched out a bit. (13.15) Some agriculture work does us some of our power that would be growing.

**Chairwoman Unruh:** Any more in support? Testimony in opposition? Any agency testimony? The hearing is closed on SCR 4008.

**Sen. Cook:** I move a do pass.

**Sen. Oban:** I second.

Roll call was taken.      YES    7      NO    0    - 0- absent    **Chairwoman Unruh** will carry.

Date: 2-16-17  
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 4008

Senate Energy and Natural Resources Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

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 Sen. Cook Seconded By Sen. Oban

Senators	Yes	No	Senators	Yes	No
Chair Jessica Unruh	<u>/</u>		Sen. Erin Oban	<u>/</u>	
Vice Chair Curt Kreun	<u>/</u>				
Sen. Kelly Armstrong	<u>/</u>				
Sen. Dwight Cook	<u>/</u>				
Sen. Jim Roers	<u>/</u>				
Sen. Don Schaible	<u>/</u>				

Total (Yes) 7 No -0-

Absent -0-

Floor Assignment Sen. Unruh

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



**REPORT OF STANDING COMMITTEE**

**SCR 4008: Energy and Natural Resources Committee (Sen. Unruh, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
SCR 4008 was placed on the Eleventh order on the calendar.

**2017 HOUSE ENERGY AND NATURAL RESOURCES**

**SCR 4008**

# 2017 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Coteau –A Room, State Capitol

SCR 4008

3/9/2017

29007

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature

*Kathleen Davis*

### Explanation or reason for introduction of bill/resolution:

To refrain from enacting regulations that threaten the reliability and affordability of electric power in ND and to increase its support for research, development, and deployment for next generation carbon-based energy generation

### Minutes:

Attachments #1-#2

**Chairman Porter:** Called the committee to order on SCR 4008. The clerk read the short title.

**Sen. Kasper,** Dist.27, presented Attachment #1.

**Chairman Porter** questions? Further testimony in support?

**Jason Bohrer,** President of Lignite Energy Council, presented Attachment #2 in support of SCR 4008.

**4:53**

**Chairman Porter:** SCR 4004 also talks about utilizing coal as a way to produce thorium. Inside of lignite research council, can you give us a brief overview of where you are at and where you're going at with Employer, with EERC and thorium coming from a coal based source.

**5:38**

**Bohrer:** The lignite research fund, it's charge is to find technology answers to criteria pollutants but also develop new markets and opportunities for lignite coal. One of those got started probably a year ago in the lignite research council and we reviewed a study and proposal that would examine the ability to extract rare earth elements from ND. Thorium is one of those elements. To the best of my knowledge, there's such a broad range of rare earth elements there hasn't been an end use proposed use yet for what they find. Rare earth elements can be used from anything such as high tech electronics and magnets found in

electronic devices all the way to if you extract thorium in great enough quantities or reactor isotopes, those things. Right now the research that we're doing is the first phase of that to identify what rare earth elements are there in commercial quantities if any. The EERC is participating in this but we actually have 2 separate proposals that are evaluating rare earth elements. What we hope to do is essentially catalog what is there, then come back and say now that we know what is there, what's the market opportunities for those. Honestly our coal industry is always looking for additional ways to monetize their resource and figure out ways to say it's not just about producing electricity, what are the value added opportunities and rare earth elements are one of those opportunities.

**Rep. Anderson:** Is the extraction process complicated or is it a known process to extract rare minerals?

**Bohrer:** It's actually a known process. It's relatively easy. You almost look at the lignite resource, it's the It's the tailings and that becomes an ore. What the production of electricity produces, is an ore, that elsewhere they'd have to dig that out. Here it's a byproduct. It's not as concentrated. What you're trying to do is to say, does the fact that our ore is just sitting there in ND, does it make it easier to commercially extract those but it's essentially the same type of process you would get if you were mining the earth out of CA then you would have to suck the rare earth elements out of the soil and concentrate them. That's a known process. There's nothing we don't know how to do there.

**Chairman Porter** Further support? Opposition? Closed the hearing.



# 2017 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Coteau –A Room, State Capitol

SCR 4008

3/10/2017

29053

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature

*Kathleen Davis*

### Explanation or reason for introduction of bill/resolution:

To refrain from enacting regulations that threaten the reliability and affordability of electric power in ND and to increase its support for research, development, and deployment for next generation carbon-based energy generation

### Minutes:

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**Chairman Porter:** Called the committee to order on SCR 4008.

**Rep. Keiser:** Move a Do Pass to be placed on the Consent Calendar

**Rep. Ruby:** second

**Chairman Porter:** Rep. Keiser made a motion for a Do Pass to be placed on the Consent Calendar, seconded by Rep. Ruby. Discussion? Clerk called the roll.

Yes 13 No 0 Absent 1 Motion carries. Rep. Ruby is the carrier.

Date: 3-10-17Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE**  
**ROLL CALL VOTES**  
BILL/RESOLUTION NO. SCR 4008

House Energy & Natural Resources Committee☐ SubcommitteeAmendment LC# or  
Description: \_\_\_\_\_

## 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 Keiser

Seconded By

Rep Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep. Lefor	✓	
Vice Chairman Damschen	✓		Rep. Marschall	✓	
Rep. Anderson	✓		Rep. Roers Jones	✓	
Rep. Bosch	✓		Rep. Ruby	✓	
Rep. Devlin	✓		Rep. Seibel	✓	
Rep. Heinert	✓				
Rep. Keiser	✓		Rep. Mitskog	✓	
			Rep. Mock	AB	

Total (Yes) 13 No 0Absent 1Floor  
AssignmentRep Ruby

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

**REPORT OF STANDING COMMITTEE**

**SCR 4008: Energy and Natural Resources Committee (Rep. Porter, Chairman)**  
recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR**  
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4008 was placed on the  
Tenth order on the calendar.

**2017 TESTIMONY**

**SCR 4008**



TO: ND Senate Committee on Energy and Natural Resources  
FROM: Jonathan Casper, ND Senator - District 27, Fargo  
DATE: February, 16 2017  
RE: SCR 4008

SCR 4008  
2-16-17  
AHC #1  
pg 1

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TESTIMONY ON SCR 4008

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Madam Chair, members of the Energy and Natural Resources Committee. I appreciate the opportunity to be here today and to discuss the coal industry in our state.

In my experience visiting and working with companies across North Dakota, in both my personal and professional life, I have seen the impact that energy cost has on our economy. As we seek to diversify and grow our economy, a key component will always be energy expense.

North Dakota has consistently maintained low power costs for homes and businesses than we've seen in other states across the Nation. We currently have the 9<sup>th</sup> lowest electricity costs in the U.S. In fact, commercial electricity prices are 11.4% below national average. We should maintain these numbers and continue to build upon them.

Energy is not only a major expense for our business, it is a constant and necessary expense for our state's families. Right now, in North Dakota Residential electricity prices are 12.5% below the national average. The less are families are paying for electricity the more they can spend in their local economies.

Coal powers our state. Coal power literally provides the bulk of energy consumes in our state but also provides thousands of jobs in our communities. North Dakota coal power currently produces 4,000 megawatts of electricity. Coal power provides 75% of all electric power in the state. There are 4,000 direct jobs at mines and plants. Indirectly, the industry provides for 11,500 jobs across the state. Nearly two dozen businesses in Fargo alone provide support services to the industry

Our states citizens, leaders and coal companies have all want to protect our environment. As such, North Dakota developed some of first reclamation standards in the country, serving as the model for the federal Surface Mining Control and Reclamation Act. Mine lands are held to a standard of "as good or better" as before mining before bond release can be achieved

Moreover, North Dakota utilities have invested \$2 billion since 2000 on environmental upgrades and to increase power plant efficiency. Currently, North Dakota is one of only seven states that meet all of the EPA's ambient air quality standards.

Madam Chair, members of the committee, our coal industry is an incredible resource for our state, and I believe it is one that as a state we should seek to protect from federal overreach and worth with to continue to maintain reasonable environmental standards while still providing safe, affordable, reliable power to our states businesses, farms, and families.



SCR 4008  
2-16-17  
Attch #2  
pg 1

Jason Bohrer, President & CEO  
Lignite Energy Council  
PO Box 2277  
Bismarck, ND 58502  
Telephone: (701) 258-7117  
Fax: (701) 258-2755

**Testimony in Support of SCR 4008  
Submitted by the Lignite Energy Council  
Senate Energy and Natural Resources Committee  
February 16, 2017**

Chairman Unruh, members of the committee, I would like to offer this testimony in support of Senate Concurrent Resolution 4008. This resolution describes the current status of the lignite industry and its contributions to the State of North Dakota, and factors impacting its ability to continue providing reliable, environmentally-responsible, and affordable power to the Upper Midwest.

However, the real focus of this resolution is to urge our federal leaders to work with the state and industry to develop real technological solutions to enable the continuation of coal-based generation in North Dakota. For several years, the industry has been put in a defensive position with respect to an onslaught of federal regulations, some well-intentioned but unworkable, and some intentionally aimed at stopping the mining and use of our coal resources.

With this year's change in Washington, we are presented with an opportunity to go on the offensive and work on meaningful solutions that will reduce emissions and allow a future for the coal-based power industry.

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 Senator Casper, 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, 15,000 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.



3-9-17  
SCR 4008  
Kasper  
1

**TO: ND House Committee on Energy and Natural Resources**  
**FROM: Jonathan Casper, ND Senator - District 27, Fargo**  
**DATE: March 9, 2017**  
**RE: SCR 4008**

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TESTIMONY ON SCR 4008

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Chairman Porter, members of the Energy and Natural Resources Committee. I appreciate the opportunity to be here today and to discuss the coal industry in our state.

In my experience visiting and working with companies across North Dakota, in both my personal and professional life, I have seen the impact that energy cost has on our economy. As we seek to diversify and grow our economy, a key component will always be energy expense.

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2  
3-9-17  
SCR 4008  
Bohrer



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**Submitted by the Lignite Energy Council**  
**House Energy and Natural Resources Committee**  
**March 9, 2017**

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