2023 HOUSE ENERGY AND NATURAL RESOURCES

HCR 3006

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee
Coteau AB Room, State Capitol

HCR 3006
2/2/2023

A concurrent resolution urging Congress to support policies to increase oil refining capacity in the United States

3:46 PM

Chairman Porter opened the hearing. **Members present**: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

Discussion Topics:

- ESG
- Fossil fuel investments
- Proposed amendment

Representative Vicki Steiner, District 37, introduced HCR 3006 in support and offered an amendment (#19111).

3:52 PM **Chairman Porter** closed the hearing.

Kathleen Davis, Committee Clerk
Minutes completed Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee
Coteau AB Room, State Capitol

HCR 3006
2/10/2023

A concurrent resolution urging Congress to support policies to increase oil refining capacity in the United States

11:18 AM

Chairman Porter opened the meeting. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

Discussion Topics:

- Committee action

Rep Anderson moved to amend HCR 3006, on Line 14 after the word percent is "in July 2022," and Line 15 after the word percent, "in July 2022", seconded by Rep. Olson. Voice vote. Motion carried.

Rep Ista moved a Do Pass as Amended, seconded by Rep Ruby.

Representatives	Vote
Representative Todd Porter	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Liz Conmy	Y
Representative Jason Dockter	Y
Representative Jared Hagert	Y
Representative Pat D. Heinert	Y
Representative Zachary Ista	Y
Representative Jim Kasper	Y
Representative Andrew Marschall	Y
Representative Anna S. Novak	Y
Representative Jeremy Olson	Y
Representative Shannon Roers Jones	Y
Representative Matthew Ruby	Y

14-0-0 Motion carried. Rep Ista is carrier.

11:20 AM Chairman Porter closed the hearing.

Kathleen Davis, Committee Clerk

Adopted by the House Energy and Natural Resources Committee
February 10, 2023

2-10-23

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3006

Page 1, line 14, remove the first "have"

Page 1, line 14, after "percent" insert "in July 2022"

Page 1, line 14, remove the second "have"

Page 1, line 15, after "percent" insert "in July 2022"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HCR 3006: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3006 was placed on the Sixth order on the calendar.

Page 1, line 14, remove the first "have"

Page 1, line 14, after "percent" insert "in July 2022"

Page 1, line 14, remove the second "have"

Page 1, line 15, after "percent" insert "in July 2022"

Renumber accordingly

2023 SENATE ENERGY AND NATURAL RESOURCES

HCR 3006

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee
Peace Garden Room, State Capitol

HCR 3006
3/10/2023

A concurrent resolution urging Congress to support policies to increase oil refining capacity in the United States.

11:15 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Kannianen, Boehm, Beard, and Magrum are present.

Discussion Topics:

- Covid
- Oil and Gas Production
- Oil refineries
- Fossil fuels

11:16 AM Representative Steiner introduced the bill.

11:20 AM Chairman Patten closed the public hearing.

11:21 AM Senator Beard moved to Do Pass the resolution. Motion seconded by Senator Boehm.

11:21 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passes 6-0-0.

Senator Kessel will carry the bill.

This bill does not affect workforce development.

11:22 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

REPORT OF STANDING COMMITTEE

HCR 3006, as engrossed: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3006 was placed on the Fourteenth order on the calendar. This resolution does not affect workforce development.

TESTIMONY

HCR 3006

Thank you Chairman Porter, Vice Chair Anderson and Members of the Energy and Natural Resources committee.

Last June, I attended Fiscal Leaders conference by NCSL when they offered a stipend for legislators serving on Finance and Tax committee. There were others scheduled to go but then they backed out and called me, then I filled in to be ND's representative.

JP Morgan Global Research Chair Joyce Chang was the keynote speaker. She speaks on the US economy and challenges to states. Her message in June last year was that states that are pushing the Climate Change should change that slogan to Climate Realism. She said there are supply chain issues that will continue to cause inefficiencies in energy markets.

She said the Environmental Social Governance or ESG's impact would negatively impact the principles of Capitalism that competition among companies brings consumers lowest cost products. She said the United States has flourished under capitalism.

She said that JP Morgan's staff is concerned about what has happened with oil refineries. During Covid, more oil refineries than forecast were shut in due to lack of product demand and lack of capital.

The US expected the oil refineries to close over time but unexpectedly, the Covid quarantine caused a sharp drop in gasoline demand, people were staying home not traveling, that sped up the process on these refinery closures and more importantly, investment capital for maintenance on refineries was not readily available. Investors today are more comfortable following government supported renewable energy projects because it looks to be a safer investment.

Chang said the states should realize that demand for fossil fuels will likely decrease but gasoline will be in the US energy market well into the year 2050 despite several state mandates to go to electric vehicles by 2040. And she recommended states pay attention to recent rapid closures of refineries.

However, to make it more complicated, for your information, JP Morgan Chase Bank walked back this statement on ESG concerns and Climate Realism about 4 months later.

Also, for your information, there are 17 blacklisted investment firms that have been public on ESG focus and ironically, JP Morgan is now one of them. TX, West Virginia and Kentucky will not invest with 17 firms including Blackrock and other bank investment firms including JP Morgan Chase. We had a bill this morning on ESG pushback, 1278, so I don't want you to learn that later when we have floor discussion. I still find Joyce Chang's research valuable to ND's future.

Since I have served on the Energy Supply Taskforce committee for the past 6 years as ND's representative, I was scheduled to attend that meeting in Denver. That committee pays for my meeting expenses, and they meet twice a year. I called our former majority leader and asked him if he would approve a resolution for the upcoming Denver meeting supporting investment in oil refining given that JP Morgan said consumer's gasoline prices will be impacted long term with the early refinery closures.

Working with the national American Petroleum Institute staff for additional facts about refinery closures and our state petroleum industry staff, we collaborated to draft this resolution for NCSL. This resolution is a snapshot of time July 2022.

It was presented at the NCSL Natural Resources and Infrastructure committee in August 2022. The former leader placed me on that committee temporarily for just the Denver 2022 meeting. I normally served on the NCSL Financial services committee.

If any legislators here find themselves going to 2023 Indianapolis meeting, I encourage it's presentation again and I'm willing to help get that set up, if I'm not appointed again to that taskforce. I was originally appointed by former maj. Leader Al Carlson to defend ND's position to use our fossil fuel resources. I had worked for the oil, gas and coal counties for 25 years at that time and as he came off the taskforce, he asked me to make sure that ND's fossil fuel story would be told.

This resolution might not be that interesting to most but I believe it's critical that we keep this in front of national groups like NCSL, as they lobby Congress on behalf of states. Oil refineries are critical to our fuel supply chain and the problem still exists today with ESG's pushing dollars away from fossil fuel investments.

Thank you.

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE CONCURRENT RESOLUTION NO. 3006

Introduced by

Representatives Steiner, B. Anderson, D. Anderson, Lefor, J. Olson, Porter

Senators Bekkedahl, Elkin, Hogue, Kannianen, Patten, Rummel

A concurrent resolution urging Congress to support policies to increase oil refining capacity in the United States.

WHEREAS, rising gasoline, diesel, and jet fuel prices are contributing to high fuel prices due to high crude oil prices, and the shortage of oil refinery capacity has applied upward pressure on the cost of refined petroleum products; and

WHEREAS, global oil refinery capacity is over 3,000,000 barrels per day below prepandemic levels and domestic refining capacity in the United States is approximately 1,000,000 barrels per day below prepandemic capacity; and

WHEREAS, in 2020, a refinery in Convent, Louisiana, capable of refining 211,146 barrels of oil per day was powered down due to low demand, another company closed its refinery in Pennsylvania after an explosion, and some refineries that were idled during the pandemic are being permanently decommissioned; and

WHEREAS, annual inflation in the United States has reached 8.6 percent, the highest rate since December 1981, gasoline prices ~~have~~ increased 48.7 percent, in July 2022 and fuel oil prices ~~have~~ increased 106.7 percent, in July 2022 the largest increase on record; and

WHEREAS, increasing oil refining capacity, pipeline easement approvals, and federal land leasing will promote increased domestic oil production and lessen the United States' dependence on foreign oil sources while increasing supply at a lower cost to consumers;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Legislative Assembly urges the Congress to support policies that increase refining capacity in the United States; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to all members of Congress and the President of the United States.