



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Wednesday and Thursday, June 12-13, 2024

Discovery Hall, Energy and Environmental Research Center, 15 North 23rd Street
Grand Forks, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 9:05 a.m.

Members present: Senators David Hogue, Brad Bekkedahl, Keith Boehm, Ryan Braunberger, Dale Patten, Merrill Piepkorn; Representatives Dick Anderson, Mike Brandenburg, Alisa Mitskog, Corey Mock, Don Vigesaa

Member absent: Representative Todd Porter

Others present: Representatives Alisa Mitskog, Wahpeton; Anna S. Novak, Hazen

See Appendix A for additional persons present.

It was moved by Representative Mock, seconded by Senator Bekkedahl, and carried on a voice vote that the minutes of the April 10, 2024, meeting be approved as distributed.

ELECTRIC GRID RESILIENCE

Mr. Darcy Neigum, Vice President, Electric Supply, MDU Resources Group Inc., provided an update (Appendix B) regarding electricity congestion and the ~~effect~~ of data centers on the electric grid. He noted:

- The city of Williston is a high load growth area lacking ~~sufficient~~ transmission to support a data center.
- The Williston data center has caused a significant ~~amount of~~ congestion limiting the generation capacity across the entire regional power grid.
- MDU Resources filed a complaint with the Federal Energy Regulatory Commission (FERC) after being charged transmission congestion fees from the Southwest Power Pool and the Midcontinent Independent System Operator, both regional transmission organizations (RTOs).

Mr. Reice Haase, Deputy Executive Director, Industrial Commission, presented information (Appendix C) regarding the final carbon pollution standards rule from the Environmental Protection Agency. He noted:

- North Dakota is located at the intersection of two RTOs.
- The Industrial Commission is tracking 32 ~~newly~~ proposed federal regulations that could negatively impact the reliability of the state's electric grid.
- The North Dakota Transmission Authority and the Industrial Commission concluded by year 2029 the Midcontinent Independent System Operator regional grid will not have sufficient power to meet the electrical demand of users.

Mr. Jason Weiers, Transmission Project Development Manager, Otter Tail Power Company, provided an update (Appendix D) regarding the JETx transmission line.

Mr. Randy Christmann, ~~Commissioner~~ Public Service Commissioner, presented information (Appendix E) regarding electric utility rates. He noted:

- The commission does not have the statutory authority to control the siting location of a data center or cryptocurrency facility.
- Transmission congestion fees are controlled by the RTO.
- North Dakota's congestion fees are distributed among all customers within the RTO, and price increases will continue to be determined by ~~the~~FERC.

ENERGY AND ENVIRONMENTAL RESEARCH CENTER

Mr. Charles Gorecki, Chief Executive Officer, Energy and Environmental Research Center, presented an overview and update (Appendix F) regarding the Energy and Environmental Research Center (EERC). He noted:

- The mission of the ~~Energy and Environmental Research Center (EERC)~~ is to provide practical, pioneering solutions to the world's energy and environmental challenges.
- The EERC ~~is~~has a multidisciplinary team of specialists in areas of engineering, operations and industrial technology, geology, chemistry, information technology, business and finance, communications and marketing, legal, and other sciences and disciplines.
- The ~~research center utilizes~~EERC uses several laboratories and demonstration facilities to complete research and advance technology demonstrations for more than 1,300 clients in 53 different countries.
- As of 2023, the EERC has ~~a total of~~187 active contracts.

Mr. Tom Erickson, Chief Operations Officer and Vice President for Intellectual Property, Energy and Environmental Research Center, presented a report (Appendix G) regarding the ~~research center's~~EERC's activities and accomplishments.

Mr. Brian Kalk, Chief Research Officer, Energy and Environmental Research Center, presented a report (Appendix H) regarding the status and results of the State Energy Research Center's salt cavern underground energy storage and research project, the State Energy Research Center's study of prospective in-state resources of economically feasible accumulations of critical minerals, and the status of the EERC's study of future lignite electrical generation facilities. He noted:

- ~~During the~~The 2021 Legislative Assembly, allocated \$9.5 million in funding ~~was allocated~~ to the EERC to evaluate the feasibility of creating caverns for energy storage in the bedded salts of ~~North Dakota~~the state.
- The project was completed in June 2023, resulting in the collection and analysis of salt from two of the state's primary salt zones. Results of the core testing and modeling suggested caverns suitable for long-term hydrocarbon gas or liquid storage can be developed, however, the total cost to fully develop a salt cavern for storage ~~will~~ likely will exceed \$100 million.
- ~~Critical minerals imported from China comprise more~~More than 80 percent of the critical minerals in the United State's ~~critical minerals~~are imported from China.
- The Williston Basin possesses natural risk-mitigation attributes as a business hub for accumulation of critical minerals. ~~Sampling has shown a~~The coal in the region contains concentrations of critical minerals ~~within the regions coal~~; however ~~current~~the technology ~~extracting~~used to extract the critical minerals is costly.

BANK OF NORTH DAKOTA

Mr. Kelvin Hullett, Chief Business Development Officer, Bank of North Dakota, Senator Patten, Representatives Novak and Mitskog, Mr. Blu Hulsey, Senior Vice President, Government Relations and Regulatory Affairs, Continental Resources, Mr. Jon Godfread, Insurance Commissioner, and Mr. Thomas Beadle, State Treasurer, presented a report (Appendix I) from the Bank of North Dakota regarding the Bank's findings and recommendations for environmental, social, and governance trends, laws, and policies that impact businesses and industries in North

Dakota.

Mr. Hullett noted the study:

- ~~i~~Included individuals from the ~~L~~egislative ~~a~~Assembly, private industries, associations, and state agencies.
- ~~The study e~~Consisted of eight workings groups completing over 80 interviews to address areas of sustainability. ~~Throughout the study, there was a clear understanding North Dakota is not stepping away from its commitment to energy and agriculture. Instead~~
- Focused on the state ~~is~~ charting a new course of action by demonstrating how transformation and innovation can thrive in a world focused on carbon management, while not stepping away from its commitment to energy and agriculture.

Senator Patten noted the importance of planning ~~for the future as~~because economic opportunities will increase demands on electricity, roadways, and transportation in the state.

Representative Novak noted economic, social, and governance trends, laws, and policies are having a negative impact on the energy and agriculture industries of the state.

Representative Mitskog noted the importance ~~for of~~ the state ~~to remain~~remaining a leader in energy and agriculture industries as environmental, social, and governance laws become the benchmark for the ethical impacts of businesses. She noted closing the door may not be an option ~~as~~because many premiums require an environmental, social, and governance policy that ~~applies~~y to markets world wide.

Mr. Godfread noted:

- ~~The state North Dakota~~ is in ~~the middle of~~ a hard market phase ~~wherein which~~ insurance providers are making less money. ~~He noted~~
- Insurance should be based on rating risk ~~and should never be based on~~rather than social governance.
- The state has an opportunity to attract capitol investments by leaving economic, social, and governance policies out of the market.

Mr. Beadle noted ~~that~~ the subcommittee on investment ~~concluded~~determined ~~North Dakota's~~the state's laws opposing economic, social, and governance policy are sufficient and do not require additional ~~laws moving into~~ ~~the legislation next~~for the 2025 legislative session.

OTHER

Chairman Hogue recessed the meeting at 3:39 p.m. and

~~Chairman Hogue~~ reconvened the meeting on Thursday, June 13, 2024, at 8:30 a.m.

Chairman Hogue recessed the meeting at 8:40 a.m. for attendance at the Energizing North Dakota's Future summit and reconvened the meeting at 11:55 a.m.

No further business appearing, Chairman Hogue adjourned the meeting at 12:00 noon.

Austin Gunderson
Counsel

ATTACH: