



January 23, 2023

Chairman Louser and House Industry, Business and Labor Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Bill 1429 due to the experiences that the lignite industry has had as it relates to the Environmental, Social and Corporate Governance (ESG) investment principles that are used by many large multinational and national financial institutions as guidance in their investment decision-making process.

We want to be clear, the state and community level banks have not discriminated against us in this manner, this activity happens outside of North Dakota's borders.

The threat from ESG criteria is real and it is leading large financial organizations to unfairly discriminate against the fossil fuel industry which could cost North Dakota thousands of jobs, billions of dollars in capital investment and the millions in state, county and local tax revenue that our industry provides. The use of ESG criteria has directly impacted the lignite industry by drastically increasing our insurance premiums and other unnecessary costs by millions of dollars over the past few years in an attempt to put us out of business.

There is a lack of understanding by the large contingent of activist shareholders, who have demanded the multinational and national banks to adopt ESG discrimination practices, of the benefits the fossil fuel industry provides in affordable and reliable energy that powers our homes and businesses. As a result, there are now currently trillions of dollars in investment capital that are now out of reach for important investments needed for the coal industry to upgrade and improve our facilities to keep them running at our high-capacity factors while meeting or exceeding all federal and state regulations.

We applaud Representative Novak's efforts to engage in these important conversations and while we aren't experts in the details of banking legislation, we hope that stakeholders and the committee members can find common ground to help send a signal that the ESG discrimination will not continue against North Dakota's economic interests.

Thank you for your consideration,

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