



February 1, 2023

Chairman Kannianen and Senate Finance and Taxation Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in opposition of Senate Bill 2383. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

For the past two decades, the Lignite Energy Council has worked with the legislature, state agencies and stakeholders to create a legal, tax, and regulatory framework to support development of carbon capture technology for the electric power that would position North Dakota to lead the nation in CO2 development. There is a long list of legislation that has been thoughtfully designed, debated, and passed into law that includes conformity with federal laws, the fee structure at the North Dakota Industrial Commission, the long-term accountability for CO2 storage, Class VI primacy for pore space and the critically important state investments into research, and development to name a few policies that our industry has helped place into law.

We are pursuing this technology because it has the potential to create another top five industry in North Dakota, and to preserve and enhance the coal industry in the new carbon economy. We have pursued this path because ever tightening federal regulations around carbon emissions threaten the longevity of the lignite industry and we now have a tremendous opportunity to mitigate that risk. In North Dakota, we are blessed not only with an 800-year supply of our lignite natural resources, but we also have some of the best geology in the whole world for the underground storage of carbon emissions. This combination provides the tremendous opportunity to lower our carbon emissions while providing us with economic and regulatory certainty in the future that we will be able to continue to deliver affordable and reliable energy to the citizens of our state.

The language found in SB2383 seeks to eliminate investment opportunities for power sector carbon capture projects in North Dakota. The future of our economy depends on moving the commodities we produce to market through critical infrastructure such as carbon capture pipelines. This harmful legislation would effectively wipe out over two decades of legislation that has been carefully crafted and passed into law by previous legislatures and would significantly harm the futures of the energy and agricultural industries in our state.

For these reasons, the Lignite Energy Council opposes SB2383 and we respectfully ask that the committee move to give this legislation a "Do Not Pass" recommendation.

Thank you for your consideration,

Jason Bohrer
President and CEO

1016 E. Owens Ave. | PO Box 2277 | Bismarck, ND 58502

701.258.7117

www.lignite.com

LEC@lignite.com