



## **North Dakota Senate Bill 2228**

Testimony of Stacey Dahl – Minnkota Power Cooperative

Senate Energy and Natural Resources Committee

February 27, 2023

Chairman Patten and members of the Senate Energy and Natural Resources Committee,

Thank you for the opportunity to testify on SB 2228. I am here on behalf of Minnkota Power Cooperative, a small not-for-profit generation and transmission cooperative that provides wholesale power to 11 member-owned distribution cooperatives, along with several municipal electrics, in North Dakota and northwest Minnesota.

As many of you know, Minnkota is leading Project Tundra – a bold initiative to build one of the world’s largest carbon capture facilities in North Dakota. This facility is being designed to capture an average of 4 million metric tons of CO<sub>2</sub> annually. We plan to store that CO<sub>2</sub> more than one mile underground in deep geologic formations. Backed by more than 20 years of research by the Energy and Environmental Research Center at the University of North Dakota, we know that these formations are ideal for safe, permanent storage. In fact, we are so confident that our portion of the CO<sub>2</sub> storage area is directly beneath our power plant.

If Project Tundra proves to be successful, it will serve as a blueprint for other coal-based facilities in North Dakota and around the world. While the technology advancement that this project represents is exciting, at Minnkota, we are most proud of the outstanding support from the citizens and community of Center, Oliver County, and the state of North Dakota. None of this would be possible without their commitment and vision. By working together, we’ve secured the largest fully-permitted CO<sub>2</sub> storage facility in the U.S. – including 1 of only 3 Class VI storage sites approved by the Environmental Protection Agency. We accomplished this goal with nearly 90% voluntary pore space leases signed. We’ve had numerous in-person meetings with the impacted landowners and remain committed to keeping open lines of communications with them. They are not only landowners, but key stakeholders in the project, as well as neighbors and friends for our more than 50 years of operation near Center.

Currently, we are working on a second CO<sub>2</sub> storage to the west of the power plant. We’ve had positive landowner meetings and individual landowner engagement on this effort that is needed for project redundancy and long-term operation. This bill jeopardizes and would effectively terminate this important part of the project.

SB 2228 virtually ensures no CCS storage projects can move forward with a 100% threshold. One landowner, for whatever reason, can terminate an entire project and the opportunity and right of

landowners who want to participate. The state has carefully and deliberately crafted carbon storage statutes and regulations for over a decade. The 60% threshold now codified is an appropriate threshold that carefully balances interests. It ensures that a supermajority of landowners who wish to participate in the project, do not have their property rights held hostage by a minority. In its current form, SB 2228 serves to take away the value of the property right vested by this legislature in NDCC Chapter 47-31(Pore Space Policy) by nullifying the opportunity for the voluntary supermajority to monetize their pore space interest.

We urge a DO NOT PASS on SB 2228.