

HB 1279
Jean Schafer - Basin Electric Power Cooperative, March 17, 2025
Senate Finance and Taxation Committee

Chairman Weber and Senate Finance and Taxation Committee Members:

For the record I am Jean Schafer, and I serve as the Senior Legislative Representative for Basin Electric Power Cooperative (Basin Electric).

Basin Electric is a regional, consumer-owned, generation and transmission cooperative. As of the end of 2023, Basin Electric has over 8,112 MW of electric generating capacity, utilizing coal, wind, and natural gas. It supplies 139 rural electric cooperatives with wholesale power, who, in turn, serve approximately 3 million member-owners in a nine-state region. In addition, Basin Electric owns and maintains more than 5,000 miles of high-voltage transmission lines.

HB1279 is an extension of coal conversion tax relief and maintains the status quo for coal plant operators. Over the past five years, the existing tax relief has saved Basin Electric over \$60 million dollars; extending this relief for another 10 years is estimated to save Basin Electric another \$120 million or more. Basin Electric has recently announced historic investments to its generation and transmission systems in North Dakota, and any tax relief savings are passed on to our members.

Changing fuel markets, federal policies, and regulations distort energy markets, and favor intermittent electrical generation. Further, a lack of certainty with federal policy makes it increasingly harder to economically operate coal plants. To remain competitive in this environment, lignite coal-based power plants and conversion facilities require economic relief to sustain the viability of baseload generation, protect North Dakota's lignite industry, and ensure coal-based power remains a reliable and economically viable resource in wholesale power markets.

Basin Electric asks for your continued commitment to favorable taxation policy to support these critical investments and ensure affordable and reliable energy for North Dakota with a yes vote on HB 1279.

Thank you.