

**2021 HOUSE APPROPRIATIONS**

**HB 1159**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1159  
1/26/2021

A BILL for an Act to provide an appropriation to the industrial commission for natural gas infrastructure grants; and to provide a statement of legislative intent.
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**9:30 Chairman Delzer** Called the meeting to order

<b>Attendance</b>	
Representative Jeff Delzer	P
Representative Keith Kempenich	A
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Pipelines
- Fracturing Plants
- Opposition from the Propane Gas Association

**9:30 Representative Brandenburg # 3520**

**9:40 Representative Mitskog** –District 25; testifying in favor of HB 1159  
(Testimony #3522)

**9:45 Blake Crosby**-Executive Director, ND League of Cities; testifies in favor of HB 1159 (testimony #3526)

**9:50 Mike Rub**-Executive Director of ND Propane Gas Association; testifies in opposition to HB 1159 (**testimony #3527**)

**10:00 Jarett Schatz**- Tri-N-Propane; Testifies in opposition of HB 1159 (**testimony #3529**)

**Additional written testimony:** Written testimony submitted not addressed in favor of Becca Martin #3612, Mark Ottis #3298, Steve Dale #3071, Phill Murphy #3056, Jennifer Greuel #2889. Testimony submitted and not address in opposition Dustin Gawrylow #3328.

**10:00 Chairman Delzer** Closes the hearing for HB 1159

*Risa Bergquist, Committee Clerk*

**Brandenburg, Michael D.**

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**From:** Mathiak, Adam  
**Sent:** Wednesday, January 13, 2021 8:35 AM  
**To:** Brandenburg, Michael D.  
**Cc:** Knudson, Allen H.  
**Subject:** Bill Comparison

Representative Brandenburg:

As requested, below is a comparison of House Bill Nos. 1149 and 1159.

<b>Description</b>	<b>House Bill No. 1149</b>	<b>House Bill No. 1159</b>
Appropriation amount	\$100 million	\$100 million
Funding source	General fund – Derived from <b>2021-23</b> legacy fund earnings	General fund – Derived from <b>2019-21</b> legacy fund earnings
Agency	Industrial Commission – Recommendations from the Oil and Gas Research Council	Industrial Commission
Grant purpose	Liquified natural gas pilot projects, including projects in progress or in the planning stage	Natural gas infrastructure development

Please let us know if you have any questions. Thank you.

**Adam Mathiak**  
ND Legislative Council  
701-328-2936  
[amathiak@nd.gov](mailto:amathiak@nd.gov)

# CONVERSION FORMULA

Converting the 1.5 Bcf/day of Bakken natural gas flowing on Northern Border Pipeline to megawatts (MW) is done by taking the energy value of the gas (Btu), the efficiency of the natural gas combined cycle (NGCC) and the capacity factor of the NGCC.

The base assumptions are:

- Energy value of natural gas is 1,050 Btu/cubic foot
- NGCC efficiency of 6,800-7,200 Btu/kWh (average of 7,000 Btu/kWh)
- NGCC capacity factor of 60%

$$\begin{aligned} \text{NGCC} &= \frac{(1,500,000,000 \text{ cubic feet/day} \times 1,050 \text{ Btu/cubic foot})}{(24 \text{ hours/day} \times 0.60 \times 7,000 \text{ Btu/kWh} \times 1,000 \text{ kW/MW})} \\ &= 15,625 \text{ MW} \end{aligned}$$

To simplify, you can take the billions of cubic feet (Bcf) of natural gas flow on a daily basis and multiply by 10,400.

$$\text{MW} = \text{Bcf} \times 10,400$$

For example;

- 1.5 Bcf = 15,600 MW or a range of (15,000-16,000 MW)
- 2.0 Bcf = 20,800 MW or a range of (20,000-21,000 MW)
- 2.5 Bcf = 26,000 MW or a range of (25,000-26,000 MW to be conservative).

The range of 15,000-16,000 MW that was initially provided takes into account the variability in the (1) **heat content of natural gas**, and (2) **efficiency of the natural gas combined cycle (NGCC)**

1. The heat content of natural gas, or the amount of energy released when a volume of gas is burned, varies according to the extent that gases with higher heat content than methane are included in delivered gas. The primary constituent of natural gas is methane, which has a heat content of 1,010 British thermal units per cubic foot (Btu/cf) at standard temperature and pressure (<https://www.eia.gov/todayinenergy/detail.php?id=18371#:~:text=The%20primary%20constituent%20of%20natural,at%20standard%20temperature%20and%20pressure.>). The higher ethane content of ND Bakken gas leads to a higher heat content.
2. The efficiency of a NGCC works somewhat like the efficiency of cars – newer car models have the latest technology and get higher gas mileage (more fuel efficient) just like new NGCC's have the latest technology and are more fuel efficient (requires fewer Btu of natural gas to make 1 kWh of electricity). Older cars work fine, and can cost less to buy than a new car, but the gas mileage for an older model is typically worse than for a new one.

# North Dakota Legislative Council

Prepared for Representative Brandenburg  
 LC# 21.9408.02000  
 September 2020



## MEGAWATTS OF ELECTRICITY FROM THE NATURAL GAS PRODUCED IN NORTH DAKOTA

This memorandum provides information on megawatts of electricity from the natural gas produced in North Dakota and replacing or converting coal-fired plants to natural gas-fired combined-cycle (NGCC) plants.

### MEGAWATTS OF ELECTRICITY

The Northern Border Pipeline (NBPL) is a joint venture owned by ONEOK, Inc. (50%) and TC PipeLines LP (50%) and is a 1,412 mile pipeline transporting Canadian, Bakken, and Rockies natural gas from connections with Foothills and Bison to United States Midwest markets including Chicago (see Figures 1.1 & 1.2). In addition to transporting Canadian sourced supply, the NBPL receives and transports natural gas produced in the Williston and Powder River Basins in the United States and synthetic natural gas produced at the Dakota Gasification plant in North Dakota.<sup>1</sup>

Figure 1.1

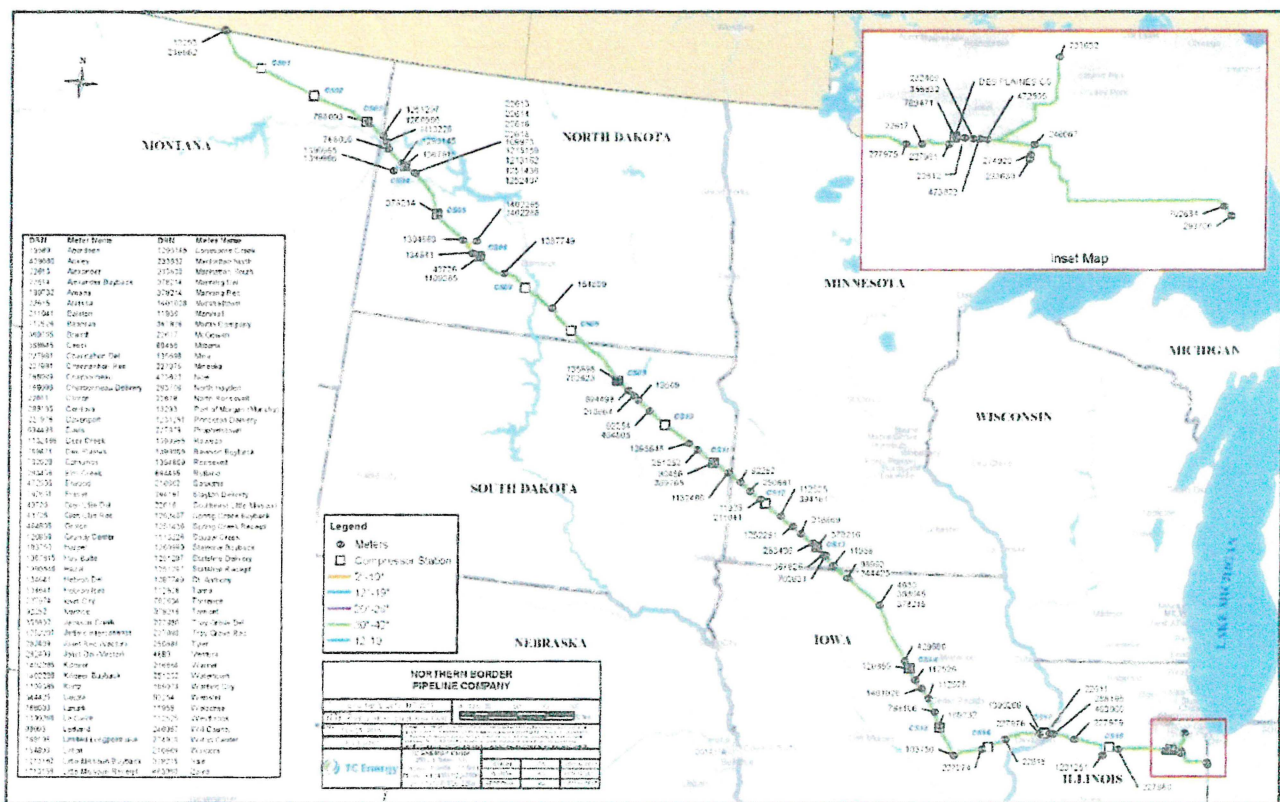
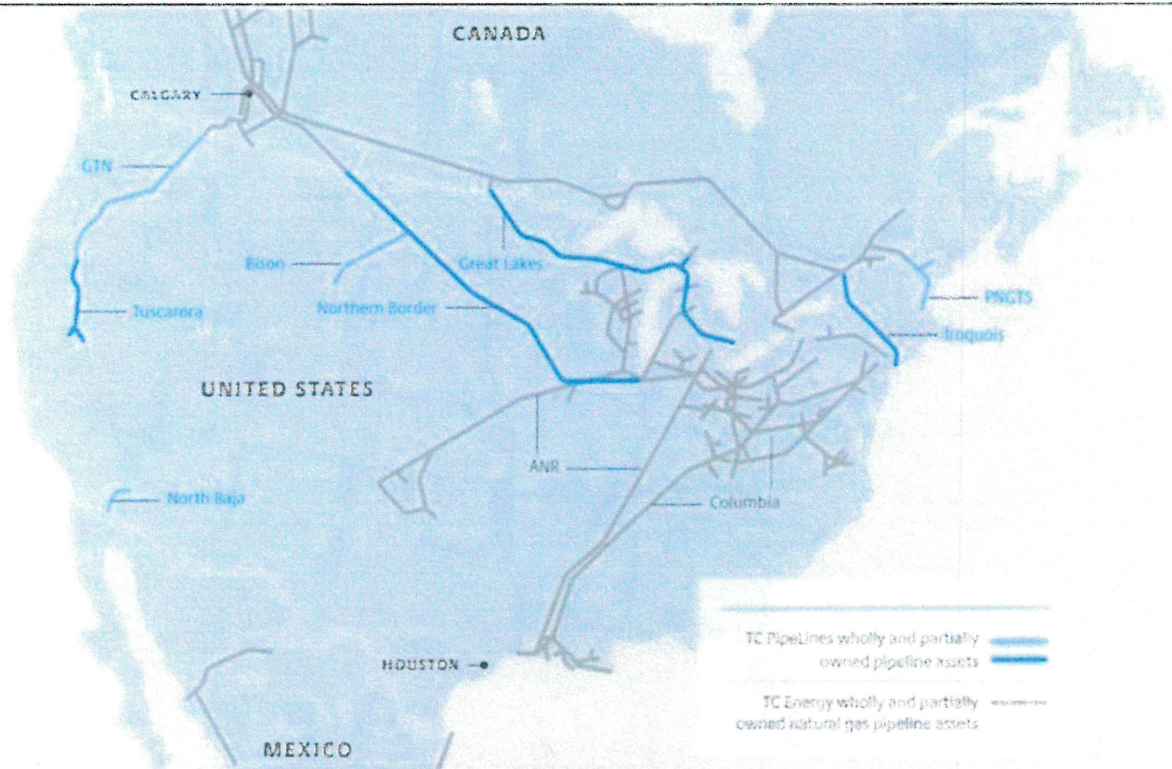


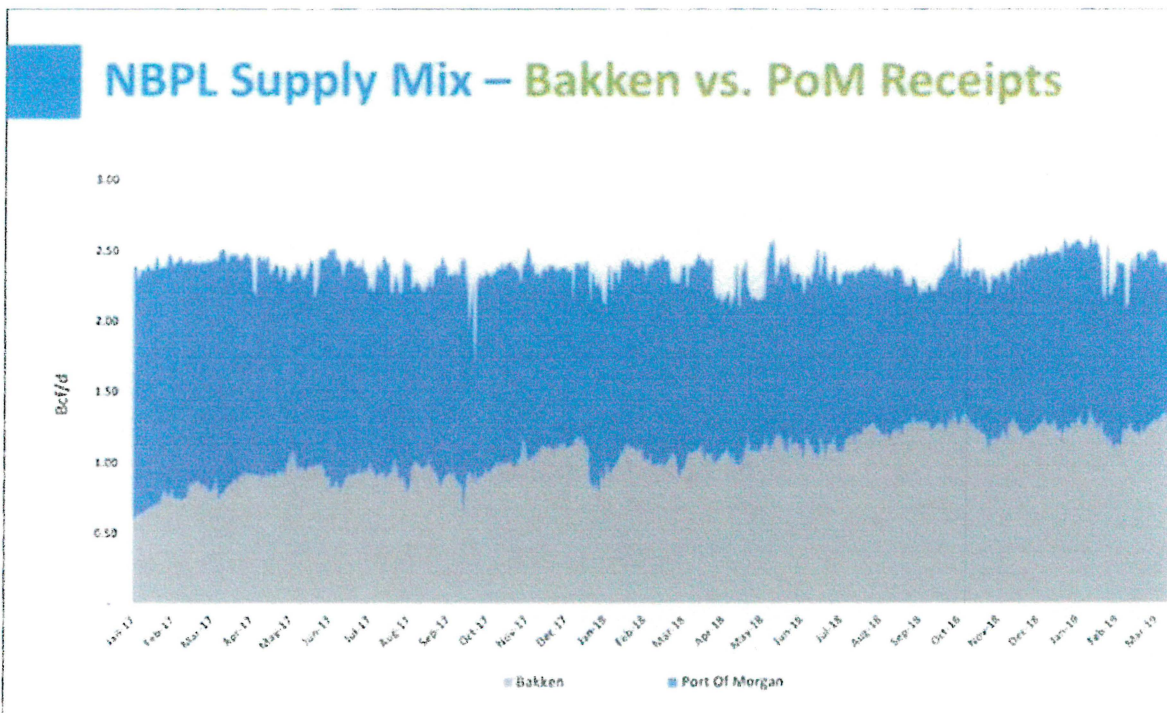
Figure 1.2



Source: TC Pipelines, LP., Gas Transmission Northwest LLP., <http://www.tcpipelineslp.com/gtn.html>

The Northern Border Pipeline has a capacity of approximately 2.5 billion cubic feet (Bcf) per day of natural gas with about fifty-five to sixty percent coming from the Bakken, or about 1.5 Bcf per day<sup>2</sup> (see Figure 2).

Figure 2



Source: <http://www.northernborder.com/docs/CustomerMtgWEB.pdf>

<sup>2</sup> Northern Border Pipeline Company; <http://www.northernborder.com/docs/CustomerMtgWEB.pdf>

Northern Border Pipeline is fed by numerous gas processing plants in North Dakota (see Figure 3). Gas processing plants or “gas plants” take associated gas from the wellhead and separate it into natural gas liquids (NGL) and pipeline quality natural gas.<sup>3</sup> The pipeline quality natural gas is compressed and injected into interstate gas pipelines including Northern Border Pipeline, Bison and WBI Energy.<sup>4</sup> A map of ND gas pipelines and gas plants is shown below (see Figure 4). Some of the gas plants (north of the Missouri River) send rich gas stream to Alliance Pipeline.

A volume of 1.5 Bcf per day of Bakken natural gas could supply 15,000 to 16,000 megawatts (MW) of new modern efficient natural gas combined-cycle generation. This is about twice the electric generation capacity of North Dakota, and also is roughly equivalent to the coal generation that was replaced with natural gas combined-cycle plants between 2011 and 2019 (see Figure 5).

Figure 3

Natural Gas Processing Capacity, Million Cubic Feet Per Day

Owner Company	Facility	County	2006	2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>North Dakota</b>																
Steel Reef	Lignite	Burke	6	6	6	6	6	6	6	6	6	6	6	6	6	6
ONEOK	Marmarth	Slope	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	NA	NA	NA	NA	NA
ONEOK	Grasslands	McKenzie	63	90	90	90	90	90	90	90	90	90	90	90	90	90
ONEOK	Stalene I	Williams	NA	NA	NA	NA	100	100	100	100	100	120	120	120	120	120
ONEOK	Stalene II	Williams	NA	NA	NA	NA	NA	100	100	120	120	120	120	120	120	120
ONEOK	Garden Creek I	McKenzie	NA	NA	NA	NA	100	100	120	120	120	120	120	120	120	120
ONEOK	Garden Creek II	McKenzie	NA	NA	NA	NA	NA	NA	120	120	120	120	120	120	120	120
ONEOK	Garden Creek III	McKenzie	NA	NA	NA	NA	NA	NA	120	120	120	120	120	120	120	120
ONEOK	Lonasome Creek	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	200	200	240	240	240	240
ONEOK	Demicks Lake	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200
ONEOK	Demicks Lake II	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200
ONEOK	Demicks Lake III	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Sus.
ONEOK	Bear Creek	Dunn	NA	NA	NA	NA	NA	NA	NA	NA	60	60	130	130	130	130
ONEOK	Bear Creek II	Dunn	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200
Petro Hunt	Little Knife	Billings	27	27	27	27	27	27	27	27	27	27	27	27	27	27
True Oil	Red Wing Creek	McKenzie	4	4	4	4	4	10	10	10	10	10	15	15	15	15
Sterling Energy	Ambrose	Divide	0.5	0.5	0.5	0.5	0.5	0.5	NA	NA	NA	NA	NA	NA	NA	NA
EOG Resources	Stanley	Mountrail	NA	20	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Whiting Oil & Gas	Ray	Williams	NA	10	NA	NA	NA	NA	NA	10	10	10	15	25	25	25
Andeavor	Robinson Lake	Mountrail	NA	30	45	90	90	90	110	130	130	130	130	150	150	150
Andeavor	Belfield	Stark	NA	NA	NA	30	30	35	35	35	35	35	35	35	35	35
XTO - Nesson	Ray	Williams	NA	10	10	10	10	10	10	25	25	25	25	25	25	100
Hess	Triega	Williams	110	110	110	110	110	110	250	250	250	250	265	265	265	415
Targa/Hess JV	LMA	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200
Kinder Morgan	Badlands	Bowman	4	40	40	40	40	40	40	40	40	40	40	40	40	40
Kinder Morgan	Norse	Divide	NA	NA	25	25	25	25	25	25	25	25	25	25	25	25
Kinder Morgan	Watford City	McKenzie	NA	NA	NA	50	90	90	90	90	90	90	90	90	90	90
Kinder Morgan	Roosevelt	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	50	50	50	200	200	200
Liberty Midstream Solutions	County Line	Williams	NA	NA	NA	NA	NA	NA	NA	NA	20	20	30	30	30	30
Summit Resources	Knutson	Billings	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**
Targa Resources	Badlands	McKenzie	NA	NA	NA	45	45	45	45	90	90	90	90	90	90	90
USG Midstream Bakken	DeWitt	Divide	NA	NA	NA	NA	NA	3	3	3	3	3	3	3	3	3
1804 Ltd	Spring Brook	Williams	NA	NA	NA	NA	NA	NA	NA	45	45	45	60	70	70	70
Oasis	Wild Basin	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	80	145	320	320	320	320
Arrow Field Services	Arrow	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	30	30	150	150	150
Caliber Midstream	Hay Butte	McKenzie	NA	NA	NA	NA	NA	NA	10	10	10	10	10	10	10	10
Outrigger Energy II	N/A	Williams	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	250
<b>Aux Sable - Chicago, IL</b>																
Aux Sable	Prairie Rose	Mountrail	NA	NA	126	126	126	126	126	126	126	126	126	126	126	126
<b>Total, MMCFD</b>			<b>222.0</b>	<b>355.0</b>	<b>491.0</b>	<b>661.0</b>	<b>901.0</b>	<b>1,015.0</b>	<b>1,444.5</b>	<b>1,599.5</b>	<b>2,029.5</b>	<b>2,137.0</b>	<b>2,452.0</b>	<b>3,162.0</b>	<b>3,362.0</b>	<b>4,037.0</b>

Source: Infrastructure Constraints in the Bakken, U.S. Department of Energy, August 2014.

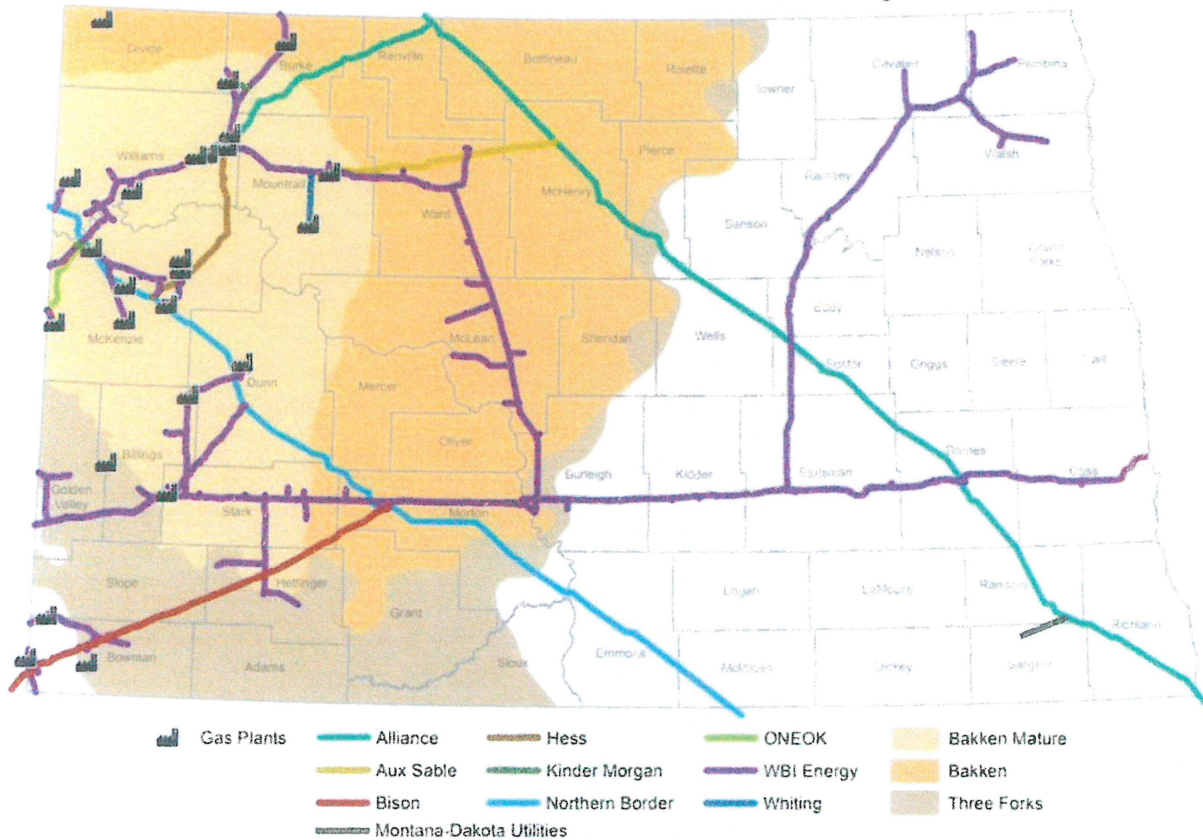
<sup>3</sup> Northern Border Pipeline Company; <http://www.northernborder.com/>.

<sup>4</sup> *Id.*



Figure 4

# North Dakota Natural Gas Pipelines



Updated: February 2019

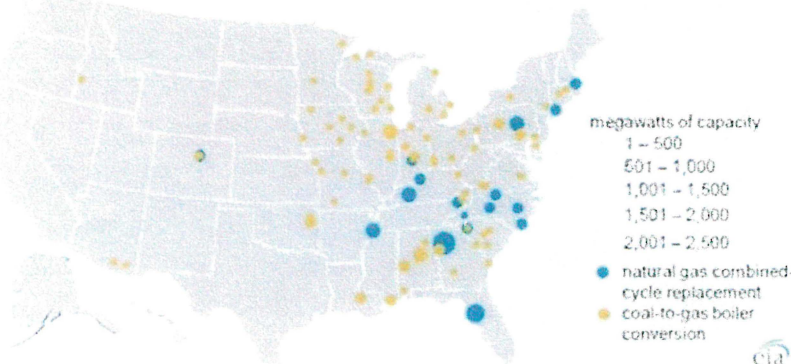
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Source: <https://www.ndstudies.gov/energy/level2/module-2-petroleum-natural-gas/transporting-and-processing>

Figure 5

More than 100 coal-fired plants have been replaced or converted to natural gas since 2011

U.S. coal-to-natural gas plant conversions by conversion type and capacity (2011-2019)



Source: U.S. Energy Information Administration, *Annual Electric Generator Report and Preliminary Monthly Electric Generator Inventory*.

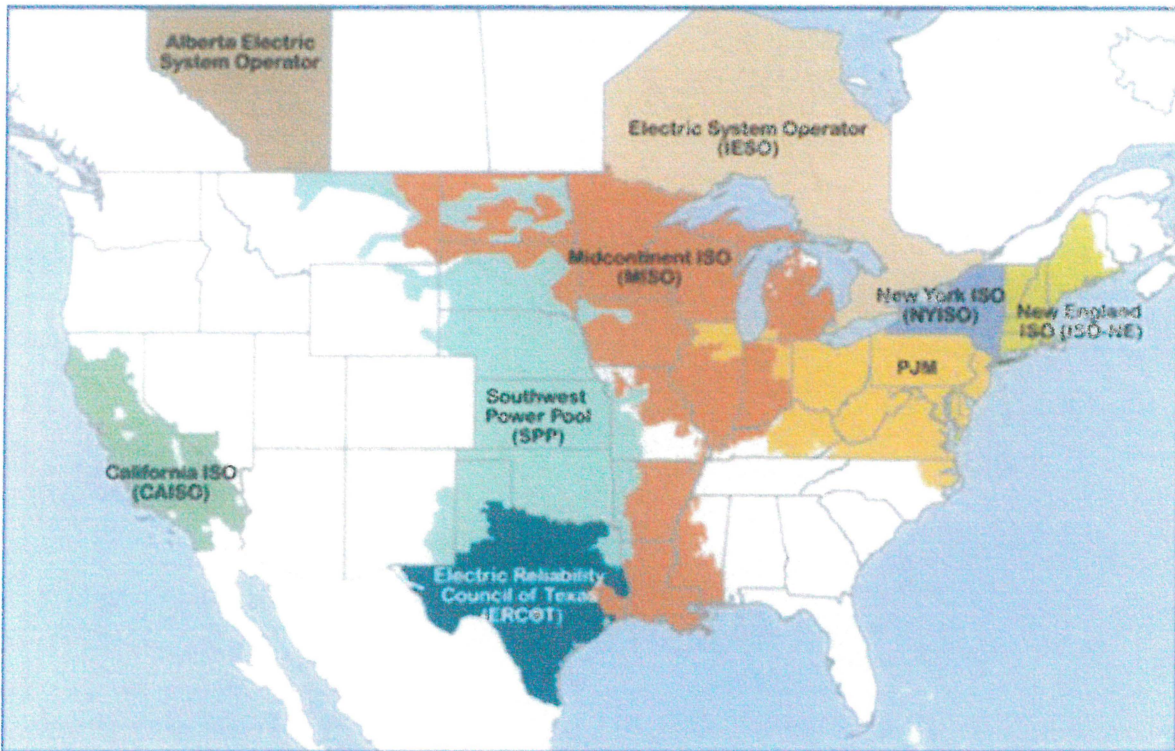
Between 2011 and 2019, 17 coal-fired plant owners replaced old coal-fired power plants with new NGCC plants with a total generating capacity of 15,300 MW, 94 percent more than the 7,900 MW capacity of the coal-fired power plants they replaced.<sup>5</sup>

<sup>5</sup> More than 100 coal-fired plants have been replaced or converted to natural gas since 2011, U.S. Energy Information Administration, August 2020.

Below are some statistics for North Dakota and several regional transmission organizations (see Figure 6) for comparison:

- North Dakota:
  - Installed capacity = 8,400 MW.
  - Natural gas combined cycle = 0 MW.
  - Natural gas simple cycle peaking = 520 MW.
  - Peak load = 3,900 MW.
- Southwest Power Pool (SPP)<sup>6</sup>:
  - Installed capacity = 89,500 MW.
  - Natural gas combined cycle = 13,500 MW.
  - Natural gas simple cycle peaking = 23,300 MW.
  - Peak load = 51,230 MW.
- Midcontinent Independent System Operator (MISO)<sup>7</sup>:
  - Installed capacity = 137,300 MW.
  - Natural gas combined cycle = 18,000 MW.
  - Natural gas simple cycle peaking = 27,100 MW.
  - Peak load = 124,200 MW.
- PJM<sup>8</sup>:
  - Installed capacity = 184,600 MW.
  - Natural gas combined cycle = 33,500 MW.
  - Natural gas simple cycle peaking = 44,100 MW.
  - Peak load = 148,200 MW.

Figure 6



Source: RTO map, Federal Energy Regulatory Commission, <https://www.ferc.gov/sites/default/files/2020-05/elec-ovr-rto-map.pdf>

<sup>6</sup> *Power Plant Summary; SPP Region.* S&P Global, 2019.

<sup>7</sup> *Power Plant Summary; MISO Region.* S&P Global, 2019.

<sup>8</sup> *Power Plant Summary; PJM Region.* S&P Global, 2019.

## REPURPOSING COAL-FIRED POWER PLANTS

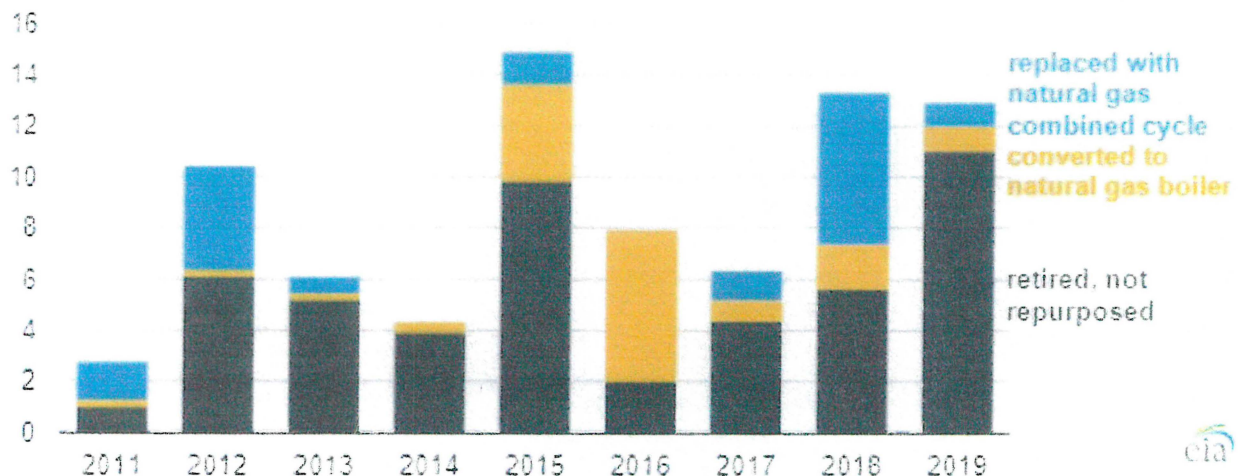
One hundred twenty-one United States coal-fired power plants were repurposed to burn other types of fuels between 2011 and 2019, 103 of which were converted to or replaced by natural gas-fired plants.<sup>9</sup> At the end of 2010, 316.8 gigawatts (GW) of coal-fired capacity existed in the United States, but by the end of 2019, 49.2 GW of that amount was retired, 14.3 GW had the boiler converted to burn natural gas, and 15.3 GW was replaced with natural gas combined cycle.<sup>10</sup> The decision for plants to switch from coal to natural gas was driven by stricter emission standards, low natural gas prices, and more efficient new natural gas turbine technology.<sup>11</sup>

Two different methods are used to switch coal-fired plants to natural gas.<sup>12</sup> The first method is to retire the coal-fired plant and replace it with a new NGCC plant.<sup>13</sup> The second method is to convert the boiler of a coal-fired steam plant to burn other types of fuel, such as natural gas.<sup>14</sup>

Between 2011 and 2019, 17 coal-fired plant owners adopted the first method, replacing old coal-fired power plants with new NGCC plants.<sup>15</sup> The new NGCC plants have a total generating capacity of 15.3 GW, 94 percent more than the 7.9 GW capacity of the coal-fired power plants they replaced. The increase in capacity is largely a result of the advanced turbine technology installed in NGCC plants (see Figure 7).<sup>16</sup>

**Figure 7**

U.S. coal-fired capacity retired or repurposed to natural gas by conversion type (2011-2019)  
gigawatts



Source: U.S. Energy Information Administration, *Annual Electric Generator Report and Preliminary Monthly Electric Generator Inventory*, August 2020.

Between 2011 and 2019, 104 coal-fired plants adopted the second approach, converting the steam boiler to burn other fuels, most commonly natural gas, although some were configured to burn petroleum coke (a refinery by-product), waste materials from paper and pulp production, or wood waste solids.<sup>17</sup>

Coal-fired plants in the eastern half of the country have been good candidates for conversion because the plants tend to be smaller-capacity units and are mostly over 50 years old.<sup>18</sup> Of the 104 coal-fired plants in this age range, 86 have converted boilers to burn natural gas, representing 14.3 GW of capacity.<sup>19</sup> Although most plants

<sup>9</sup> More than 100 coal-fired plants have been replaced or converted to natural gas since 2011, U.S. Energy Information Administration, August 2020.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

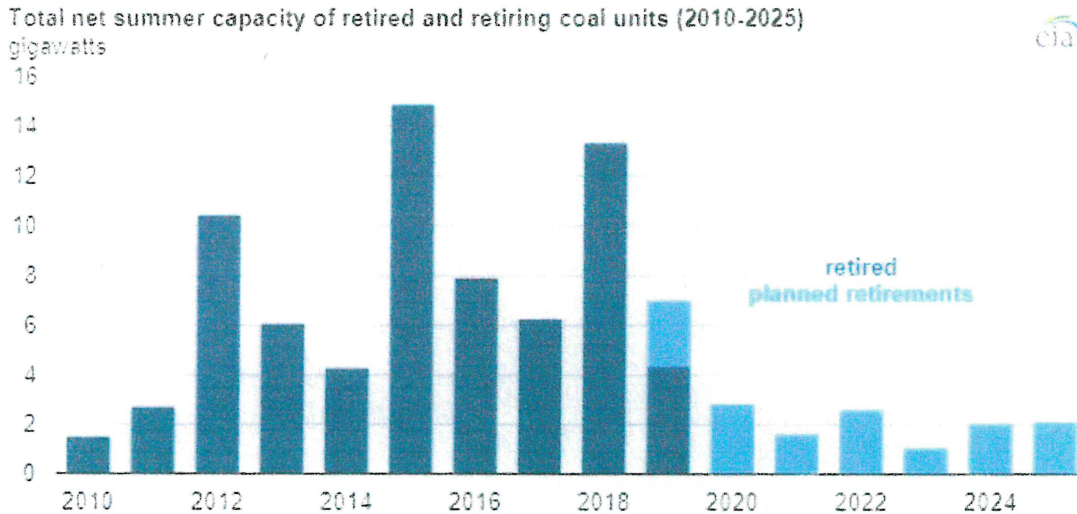
<sup>19</sup> *Id.*

transitioned entirely to natural gas, a few maintained coal burning capabilities, allowing the plants to burn whichever fuel is most economically efficient.<sup>20</sup>

The utility with the most conversions between 2011 and 2019 was Alabama Power Co., which converted 10 generators located at four coal plants in Alabama, totaling 1.9 GW of capacity.<sup>21</sup> These conversions took place between 2015 and 2016, largely to comply with the Mercury and Air Toxics Standards required by the United States Environmental Protection Agency.<sup>22</sup>

Plant owners intend to retire another 17 GW of coal-fired capacity by 2025 (see Figure 8).<sup>23</sup> After a coal unit retires, the power plant site goes through a complex, multiyear process that includes decommissioning, remediation, and redevelopment.

**Figure 8**



Source: U.S. Energy Information Administration, *Annual Electric Generator Report and Preliminary Monthly Electric Generator Inventory*, July 2019.

Coal-fired power plants in the United States remain under significant economic pressure. Many plant owners have retired coal-fired units because of relatively flat electricity demand growth and increased competition from natural gas and renewables.<sup>24</sup> In 2018, plant owners retired more than 13 GW of coal-fired generation capacity, which is the second-highest annual total for United States coal retirements. The highest total for coal retirements, at 15 GW, occurred in 2015.<sup>25</sup>

## CONCLUSION

Repowering a former coal-fired plant with natural gas-fired elements is a viable option for power providers because much of the critical infrastructure is in place, including transmission lines, substations, and water. As the United States coal-fired electric generation fleet continues to manage challenges from emission standards and low prices for natural gas, the expectation is that more of these conversions will take place, particularly in the Midwest and Southeast.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

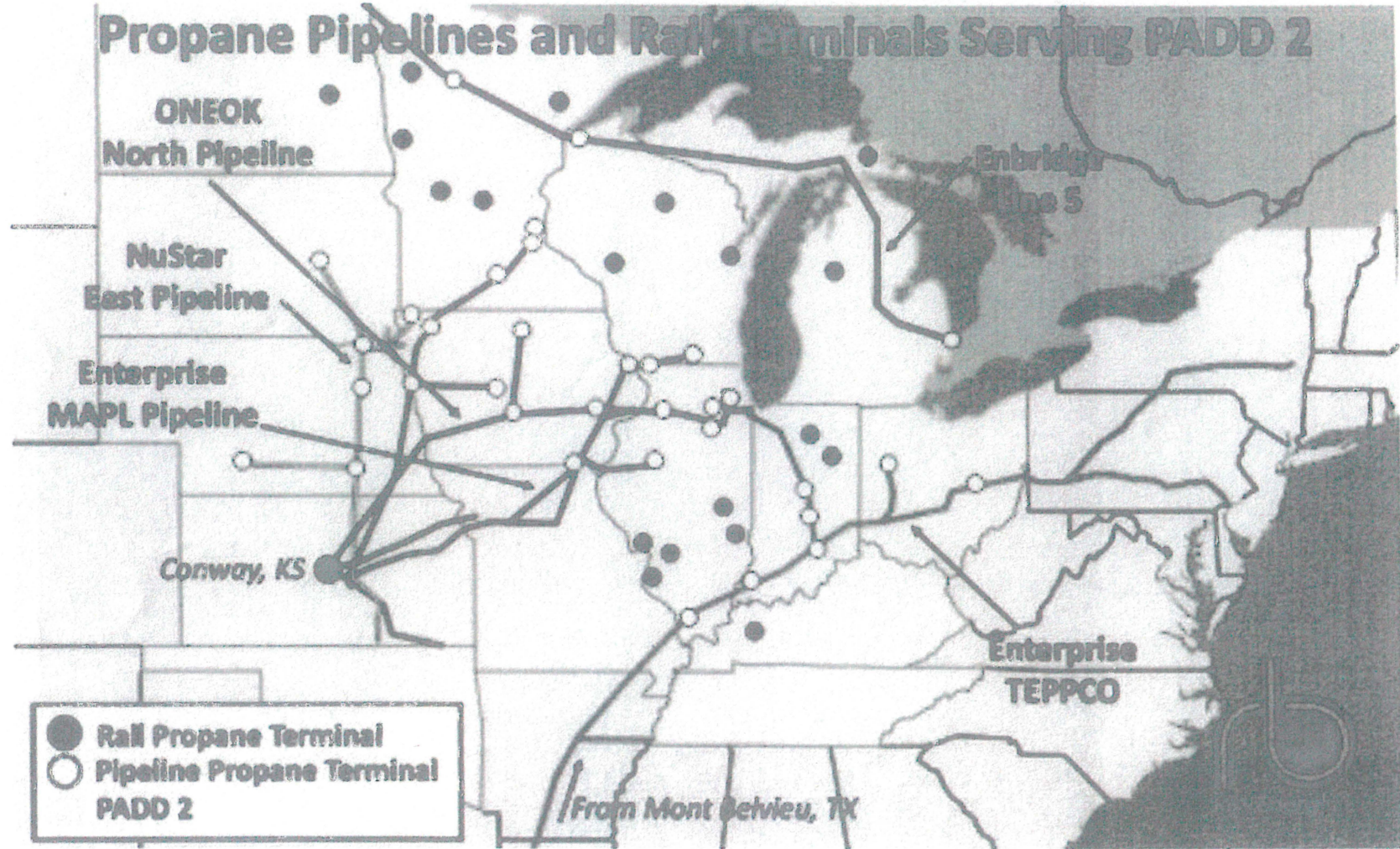
<sup>22</sup> *Id.*

<sup>23</sup> *Preliminary Monthly Electric Generator Inventory*, U.S. Energy Information Administration, August 2020.

<sup>24</sup> *More U.S. coal-fired power plants are decommissioning as retirements continue*, U.S. Energy Information Administration, July 2019.

<sup>25</sup> *Id.*

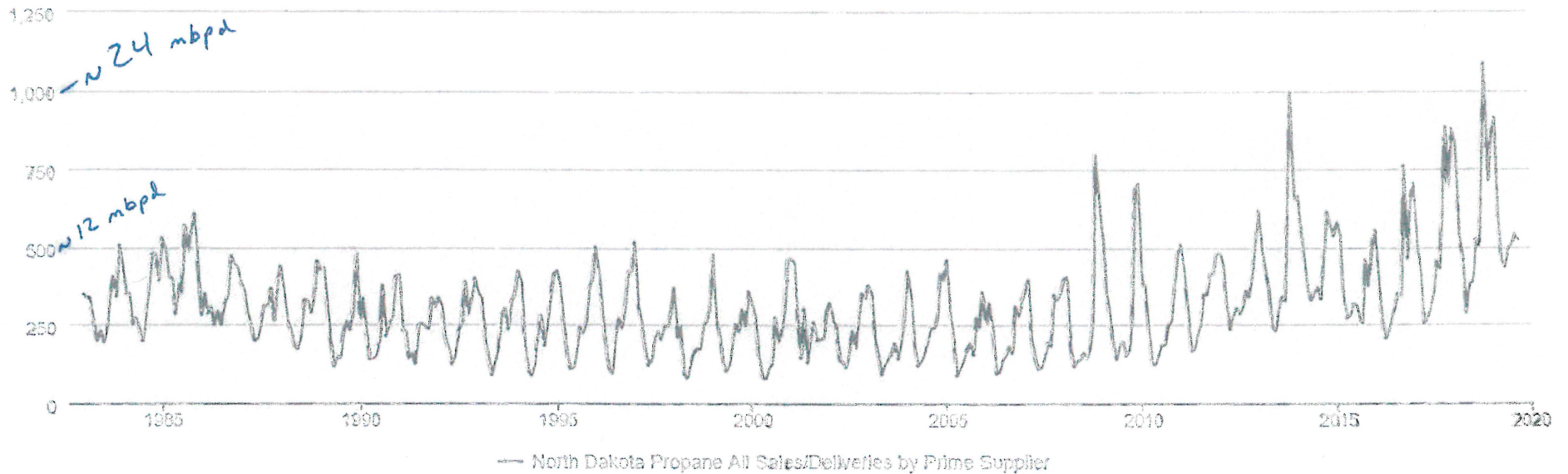
# Propane Pipelines and Rail Terminals Serving PADD 2



# North Dakota Propane Consumption

North Dakota Propane All Sales/Deliveries by Prime Supplier

Thousand Gallons per Day



Source: U.S. Energy Information Administration



JJ Kringstad - North Dakota Pipeline Authority

# North Dakota Propane Production





**ALKANE**  
M I D S T R E A M

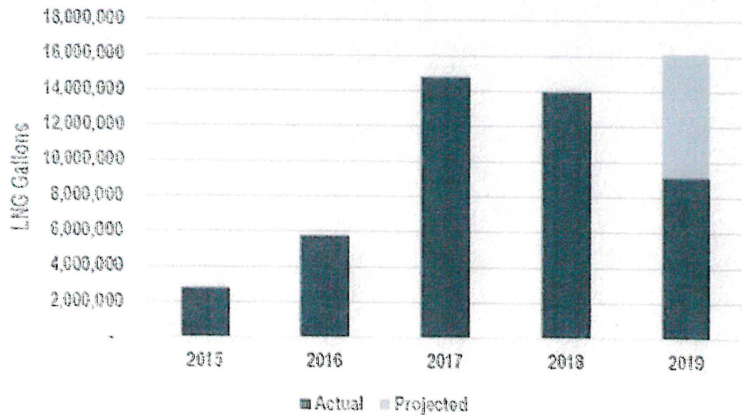
**MDU**  
**WAHPETON**

**DECEMBER 2019**



# Background

Founded in 2014 as North Dakota LNG, we are a pioneer in alternative fuels delivering nearly 50 million gallons of Liquefied Natural Gas (LNG) through July 2019



## About Us

Virtual pipeline solutions for natural gas in the Williston Basin. We provide turn-key alternative fuel, power, and stranded gas solutions helping customers save money and increase production while reducing their environmental impact.

# Virtual Pipeline Solutions For Upstream and Downstream



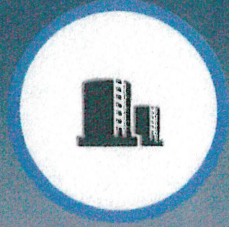
## Flare Capture

Year-round applications  
Full utilization of flare stream. 4mmCFD of Flare produces 25,000 gallons per day of LNG and >30,000 gallons per day of NGLs



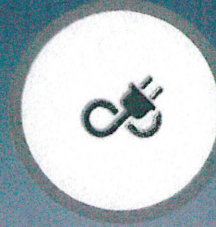
## Drilling & Completions

Year-round LNG applications  
Consumption averages 2,150 gallons per day on drilling rigs to 12,000 gallons per day on frac spreads



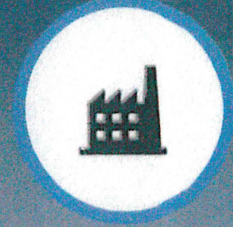
## Water Heating & Recycling

Water heating is a Winter application only.  
Water Recycling was piloted in August and is year-round.  
Consumption averages 5,000 gallons per day



## Remote Power

Short-term project based applications  
Applications can range from 5,000 gallons per day to 40,000 gallons per day of LNG

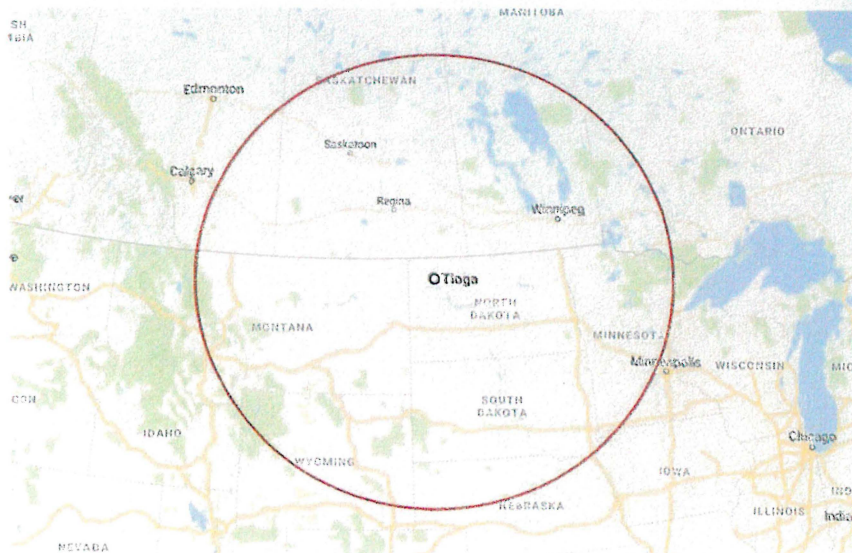


## Off-Grid Commercial

Permanent LNG applications  
Consumption typically between 2,000-5,000 LNG gallons per day

# Service Area

We competitively deliver to applications 500 miles away and are approved to transport into Canada



## Market Isolated from Supply

Current LNG supply for the Williston Basin involves significant transportation planning and cost. We are over 600 miles away from next closest plant.

We have significant first-mover advantage; building a similar sized LNG plant with storage and field equipment takes significant capital (\$50MM) and lead-times for equipment exceed 50 weeks.

# LNG Production Capabilities

Tioga facility built for redundancy with three production trains



## Plant 1

- 2-Train turbo expander plant with production capacity of 10,000 gallons per day
  - Train-A: 5,000 gallons per day
  - Train-B: 5,000 gallons per day

## Plant 2

- Single train ANGLE mixed refrigerant plant with production capacity of 80,000 gallons per day
  - Train-C: 80,000 gallons per day
  - Expansion to 100,000 gallons per day possible

## Storage

- 2-fixed storage 55,000 gallon horizontal bullet tanks at the Tioga facility
  - Transportation trailer fleet with 70,000 gallons of storage capacity
  - On-site customer storage vessels with 300,000 gallons of storage capacity

# We work with the biggest names in the Bakken and Beyond:

## Oil & Gas



## Wholesale



## Remote Power





INSTALLATION  
APPLICATIONS  
MONITORING  
DELIVERY

- ON-SITE STORAGE
- REMOTE MONITORING
- COMPANY DRIVERS
- DRIVER TRACKING
- INSTALLATION EXAMPLES

# On-Site Storage with Vaporization

Ambient  
Vaporization



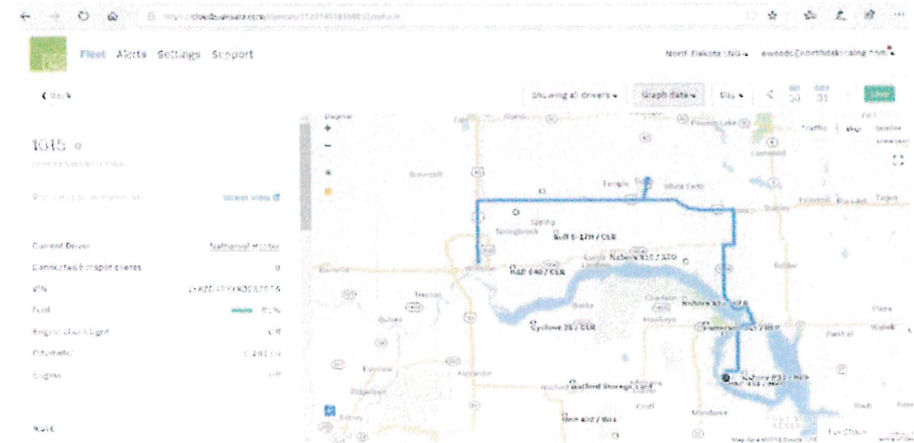
Electric  
Vaporization



Unit	Status	Temperature	Pressure	Flow	Level	Power	Other
1. Vaporizer Unit 1	OK	120°C	10 bar	1000 L/min	80%	1500 kW	100%
2. Vaporizer Unit 2	OK	115°C	9 bar	900 L/min	75%	1400 kW	100%
3. Vaporizer Unit 3	OK	110°C	8 bar	800 L/min	70%	1300 kW	100%
4. Vaporizer Unit 4	OK	105°C	7 bar	700 L/min	65%	1200 kW	100%
5. Vaporizer Unit 5	OK	100°C	6 bar	600 L/min	60%	1100 kW	100%

Remote  
Monitoring

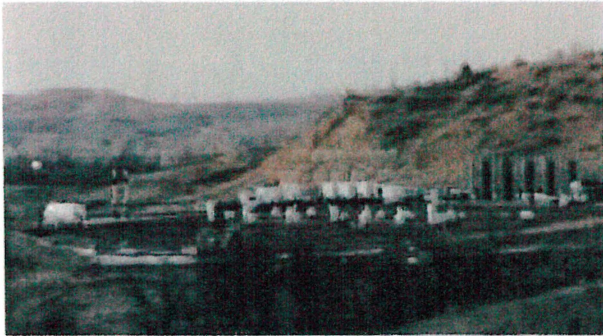
# LNG Delivery with Real-time Tracking





# LNG In Use

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Well Pads



Water Heating



Drill Rigs



# LNG In Use

---

## Dual-fuel Frac Spread



- Up to 70% diesel displacement
- Up to 20,000 LNG gpd
- Year-around operation

## Water Recycling



IGF+

- 10,000 BBL/d
- 98% Suspended Solids, Iron, Oil removal

FLASH

- Up to 400BBL/d Evaporation

**ALKANE**  
MIDSTREAM



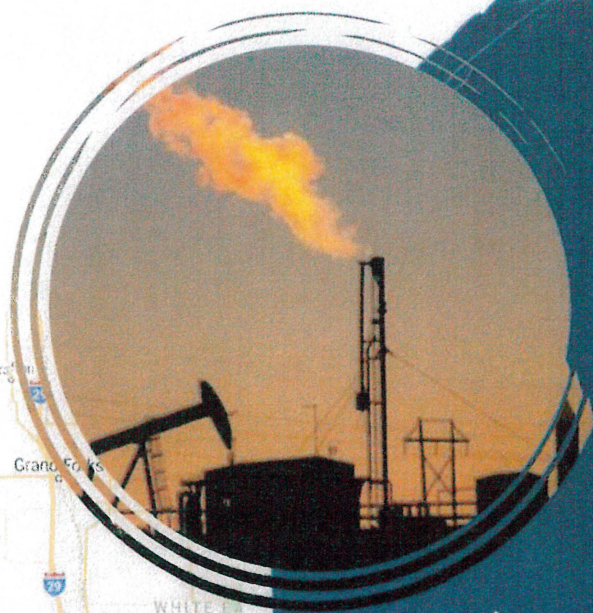
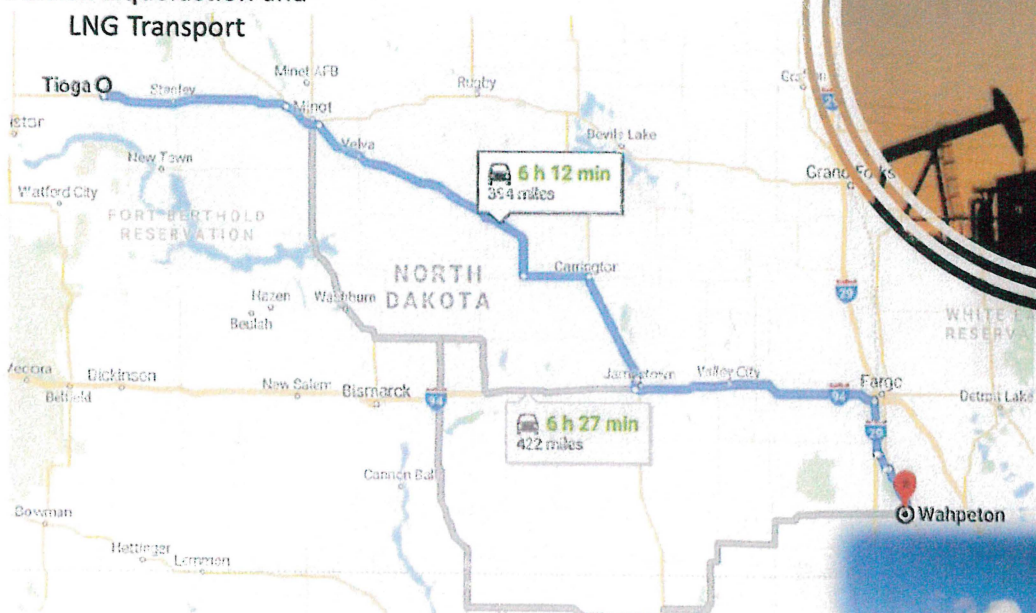
# THE WAHPETON COMMUNITY

- 63 MILE GAS LATERAL LINE
- INCREASED DEMAND ON GAS LINE
- TIME REQUIRED TO EXPAND
- INDUSTRIAL CUSTOMERS ARE EXPANDING OPERATIONS ELSEWHERE
- SOLUTION NEEDED FOR INTERIM





### Bakken Liquefaction and LNG Transport



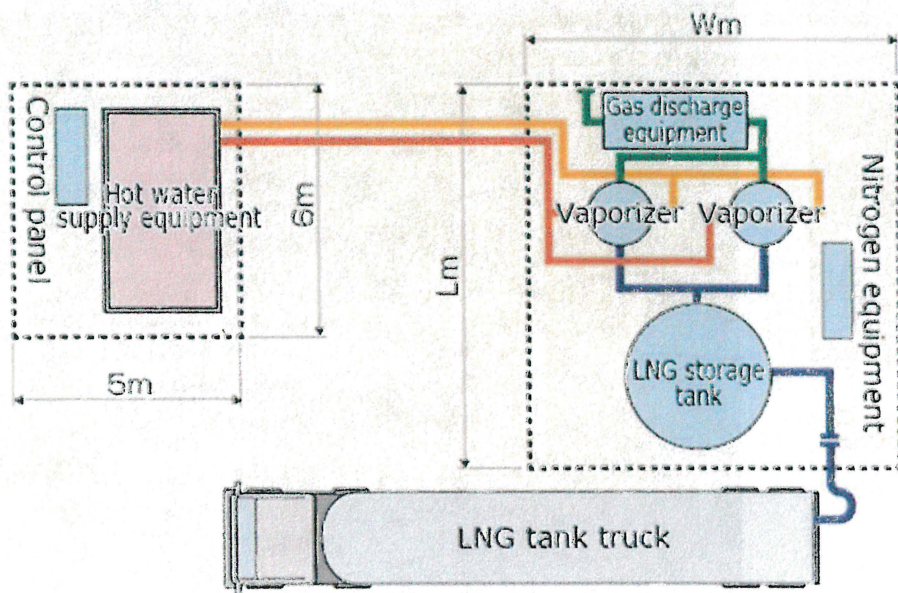
# Proposal

- Utilization of Bakken Flare Gas
- Liquefied in Tioga, transport to Wahpeton
- Stored at Metering Point
- Injected as needed to support gas line pressure
- Short-term and Longer-term solutions



Interim LNG Storage at Wahpeton Injection Point

# Short-Term: Temporary Storage and Vaporization



## Temporary Storage

- 16,000 gallon mobile Queen Storage Trailers
- Quantity based on calculated need
- Remote Monitoring for level and gas flow

## Water Bath Vaporization

- Mobile / Trailer Mounted
- 150,000 scf/h capable
- Efficient Boilers
- Scalable / Quantity based on need
- Remote Monitoring

## Metering / Injection Point.

- Vaporized LNG connected to Flange at Metering / Injection point



### Wahpeton

- Stable gas supply. Ability to retain / grow Industry.

### MDU

- Ability to strategically expand gas distribution network.
- Maintain / Increase user base.

### Operators

- Additional outlet for flare gas

### North Dakota

- Retention / Expansion of business in the state

# Beneficiaries of Solution


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Wahpeton | MDU | Operators | North Dakota



# THANK YOU

Ryan Blazei / Ed Woods 

(612) 466-0006 / (701) 300-3219 

Blazei@AlkaneNRG.com / Woods@AlkaneNRG.com 

www.AlkaneNRG.com 



**Targa Resources Corp.**  
**January 2020**

---



**TARGA**



# Community Connected Through Sustainability and ESG

Safety, Environmental, Social and Governance



- As an energy infrastructure company focused on the transportation and storage of energy products, our operations are essential to the delivery of energy efficiently, safely, and reliably across the United States. At Targa Resources, we invest hundreds of millions of dollars each year to build new and expanded assets to deliver energy products that sustain and enhance the quality of life of our citizenry.
  - We strive to conduct our business safely and with integrity, creating lasting benefits to our stakeholders, including our investors, lenders, customers, employees, business partners, regulators and the communities in which we live and work.
- ✓ **Safety and operational excellence**
  - ✓ **Environmental stewardship**
  - ✓ **Strong alignment with shareholders**



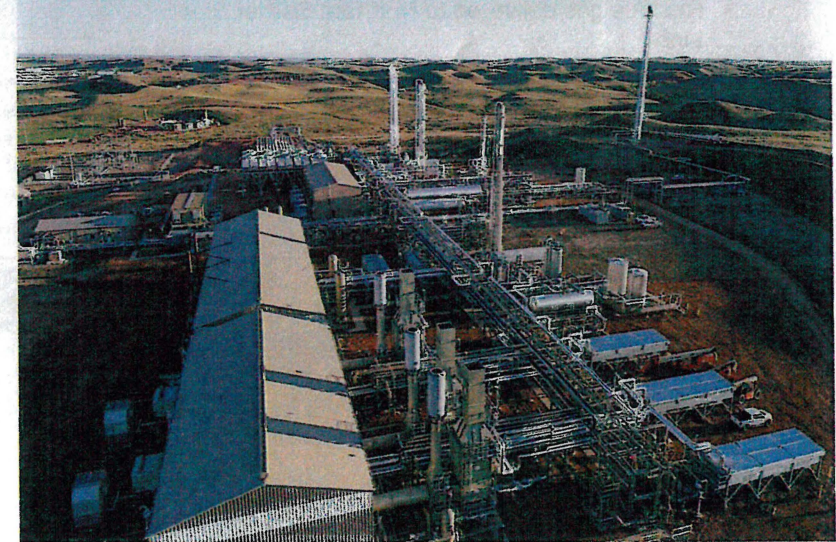
**TARGA**

## North Dakota Badlands

### Key Issues For Discussion

- Landfarming for crude oil impacted soil
- Processing Investments and gas capture
- Targa's assets as a global player- National Security through energy independence and trade balance and cleaner air globally through lpg exports and fuel replacement
- Targa's value to the growing domestic petrochemical industry

**Building Today for Better Bakken Tomorrow**





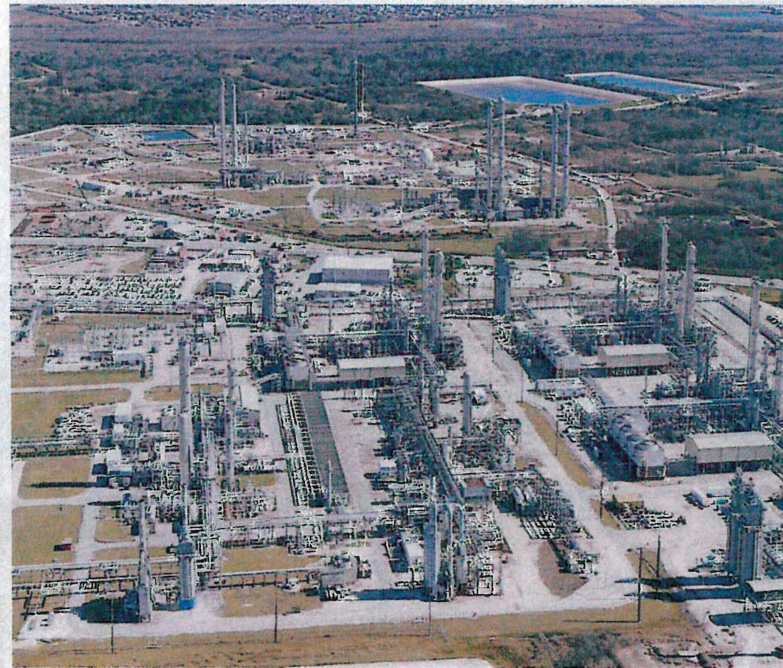
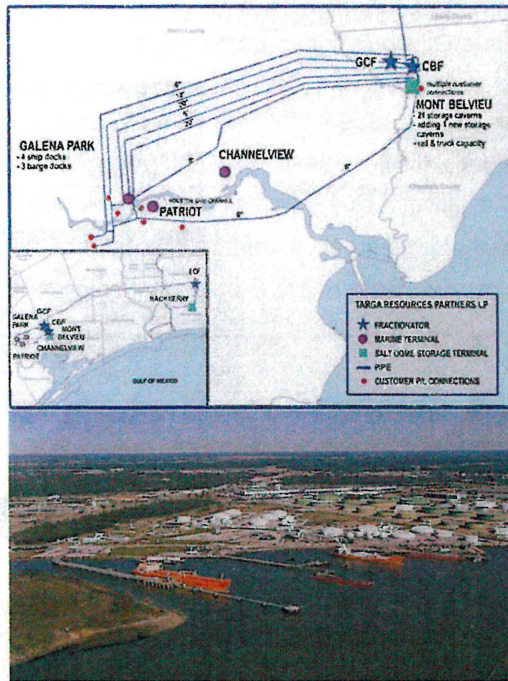
**TARGA**

## Downstream Segment

---



# Logistics Assets Exceedingly Difficult to Duplicate



Galena Park Marine Terminal		
	Products	MMBbl/ Month
Export Capacity	LEP / HDS / NC4	~10.0
Other Assets		

700 MBBls in Above Ground Storage Tanks  
4 Ship Docks

- (1) Based on Targa's effective ownership interest
- (2) Expansion underway to increase fractionation capacity by 220 MBB/d in Mont Belvieu; Train 7 expected to be complete late Q1 2020 and Train 8 expected to be complete late Q3 2020

Fractionators			
		Gross Capacity (MMBbl/d)	Net Capacity (MMBbl/d) <sup>(1)</sup>
Mont Belvieu <sup>(1)</sup>	CBF - Trains 1-3	253	223
	CBF - Backend Capacity	40	35
	CBF - Train 4	100	88
	CBF - Train 5	100	88
	Train 6	100	100
	Train 7 <sup>(2)</sup>	110	110
	Train 8 <sup>(2)</sup>	110	110
	GCF - Mont Belvieu		125
Total - Mont Belvieu		938	802
LCF - Lake Charles		55	55
Total		993	857

Potential Fractionation Expansions  
Permit received for Train 9 incremental fractionation

Other Assets  
**Mont Belvieu**  
35 MBB/d Low Sulfur/Benzene Treating Natural Gasoline Unit  
23 Underground Storage Wells  
Pipeline Connectivity to Petchems/Refineries/LCF/etc.  
7 Pipelines Connecting Mont Belvieu to Galena Park  
Rail and Truck Loading/Unloading Capabilities

Other Gulf Coast Logistics Assets  
Channelview Terminal (Harris County, TX)  
Patriot Terminal (Harris County, TX)  
Hackberry Underground Storage (Cameron Parish, LA)



# Targa Long Term Strategic Outlook is Excellent

## Focus in recent years has been to transform into a fully integrated midstream company with scale and asset diversity

- Transformation of asset footprint from growth capital investments largely complete

## Targa's Grand Prix NGL Pipeline was the missing piece of the integrated platform advantage

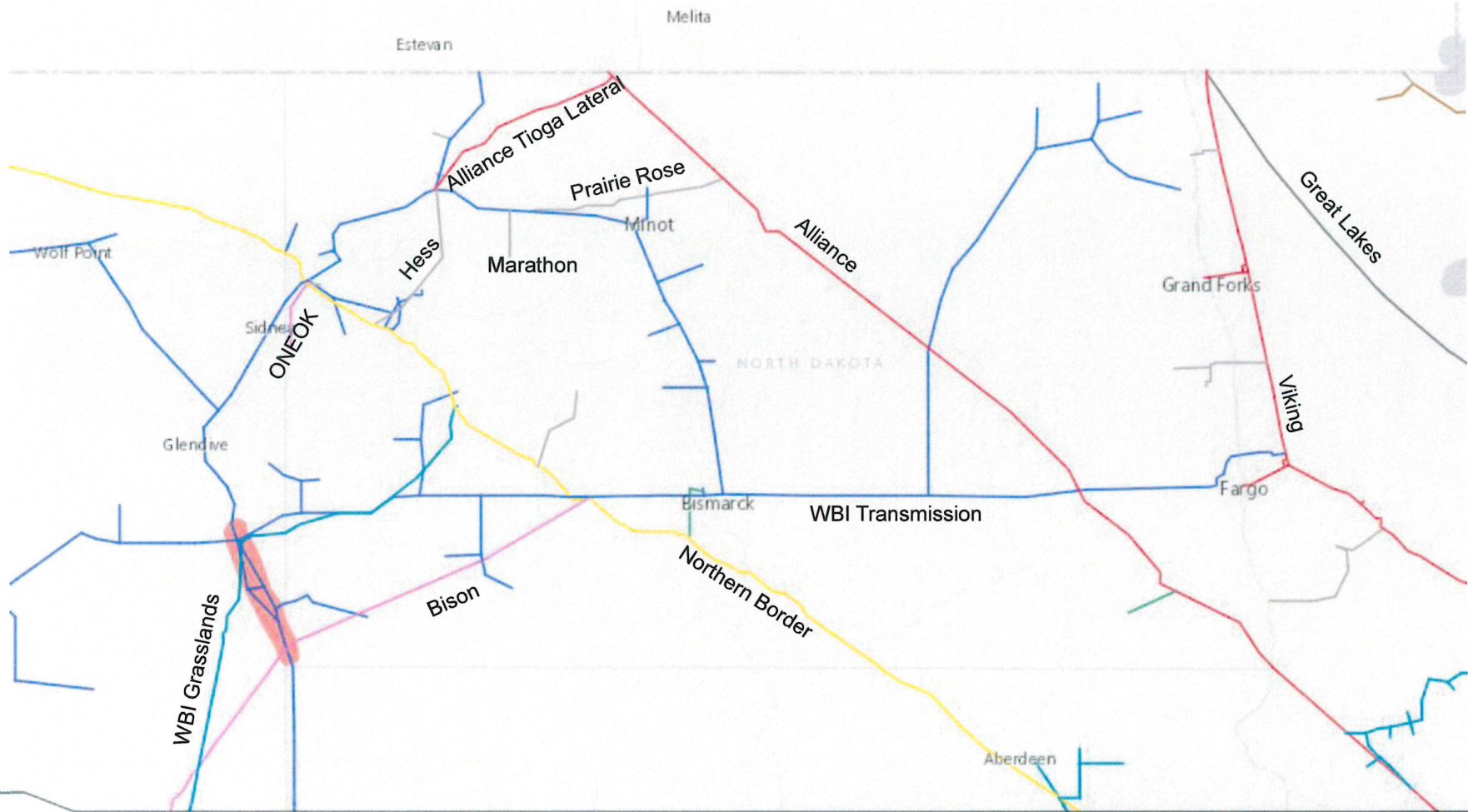
- ~\$2 billion project and largest capital investment in Targa's history
- In-service and flowing significant volumes that are expected to grow over time

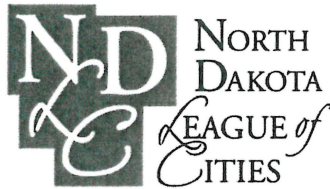
## Heavily invested in supply aggregation through our premier G&P footprint with connectivity to downstream demand

- Since 2015, ~\$8.5 billion in capital invested across the Targa value chain
- Supply aggregation – Gathering & Processing
  - ▶ Added 15 new plants with an aggregate 2.7 Bcf/d of incremental processing capacity
- Demand markets – Downstream (Fractionation and Exports)
  - ▶ Added frac trains 5, 6, 7 and 8 with an aggregate 420 MBbl/d incremental fractionation capacity in Mont Belvieu, the premier U.S. NGL market hub
  - ▶ LPG export debottlenecking and expansions that will bring capacity from 7 MMBbl/month to 11 – 15 MMBbl/month<sup>(1)</sup>



# Major Gas Pipeline Infrastructure





January 26, 2021  
House Appropriations  
Rep. Delzer, Chairman  
HB 1159

#3526

Chairman Delzer and members of House Appropriations. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

This biennium we again are reminded how important it is to diversify our economy. We need to continue to move to an economy that does not shudder so greatly when the energy sector and/or the agriculture sector drops.

This bill is really one of economic diversity. I know all of you understand the General Fund and I refer you to my handout. Cities contributed over 57% of sales tax revenue and nearly 21% of total State General Fund revenue from 4<sup>th</sup> quarter 2019 through 3<sup>rd</sup> quarter 2020.

If we want cities to continue this level of support, one way is to provide access to natural gas. Cities need access to this energy source recruit new business, grow new business and in some cases stabilize existing businesses. This is a prudent investment for the State and has a high ROI looking at the sales and use tax data.

The Industrial Commission will be the entity in charge and I trust they will make reasonable decisions on investment of this fund.

I encourage a DO-PASS on HB 1159. I will try to answer any questions. Thank you.





Testimony - HB 1159

January 26, 2021 - House Appropriations Committee

Chairman Delzer and Members of the House Appropriations Committee:

For the record, my name is Mike Rud. I serve as the Executive Director of the North Dakota Propane Gas Association. On behalf of our over 130 NDPGA members and the well over 1,000 North Dakotans they employ, I urge a "DO NOT PASS" on HB 1159.

NDPGA is pro-natural gas. Nearly all – if not all – propane delivered to member customers across North Dakota comes directly from natural gas production. The ongoing production of natural gas means an increased production of propane nationwide. These are terrific moves for North Dakota and our nation when it comes to energy security.

That being said, the state will be traveling down a slippery slope if it starts providing any type of funding which gives one industry a distinct advantage in a competitive business environment. NDPGA believes HB 1159 has the potential to do just such a thing.

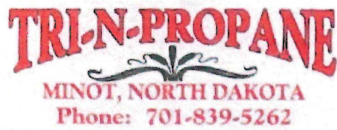
Propane has been a reliable energy source in ND for many years. Some of NDPGA's locally owned and operated businesses likely serve your communities in some capacity. North Dakota currently has about 350,000 homes in the state. Propane marketers provide service to just over 40,000 of those homes and roughly 5,000 businesses in the state. The state propane energy generated about 700 million dollars in GDP for the state annually.

Millions of private business dollars have been spent by propane marketers to meet the needs of rural residents and small communities making sure homeowners and businesses have an efficient, safe and affordable source of energy.

To my knowledge the state's propane industry has never asked for legislation to expand *propane's* customer base. If one of my members wants to grow or expand operations, two options exist: dipping into cash reserves or going to the bank to borrow the money. We ask for a level playing field—not special treatment.

I've also heard the argument rural ND is losing out on economic development opportunities because of a lack of natural gas distribution systems. Having built and owned rural businesses and having served on a rural economic development board in a community that had natural gas, I can say with full confidence the energy source for a business is only one piece of the puzzle when it comes to expansion or relocation of businesses to the rural area. IT IS NOT A SILVER BULLET!

Any government entity involved in picking winners and losers in the private energy business sector is setting a dangerous precedent. Wouldn't every North Dakota business like a similar option available to them when looking to build or expand their footprint in a market. NDPGA members are by no means afraid of competition as long as all competitors are on equal footing. Free enterprise needs to prevail in this matter.



Good Morning,

Thank you for hearing my testimony on HB 1159. I would like to start by introducing myself. My name is Jarett Schatz, and I own Tri-N-Propane in Minot with my wife Amanda. I also sit on the Board of Directors for the North Dakota Propane Gas Association. Tri-N Propane is a small business that employs 5, soon to be 6, hard-working North Dakotans whose main job is to keep people warm during the colder temps, much like the natural gas sector of our state. We are pro natural gas. Nearly all of the propane delivered in our state comes directly from natural gas resources, much of it produced locally in the Bakken. We need to vote NO on HB 1159.

Many other propane companies along with ours in the state receive no help from state funding, while at the same time, we inject 700 million dollars into the states GDP. We provide service to 40,000 plus homes and roughly 5,000 businesses. We do that by ourselves. We do that with our time, with our money, and with our sacrifice. We have skin in the game which makes us work harder and fight harder, so we don't lose what we've built. When we want to expand or build our customer base, we have to put up our hard-earned capitol or go visit our lending institution to secure funding.

Millions of OUR private dollars have been spent by marketers in this state to meet the needs of rural customers and smaller communities. We try and ensure a Safe, Efficient, and Affordable source of energy. We have never asked or received any legislation to expand our reach in our state. If we want to grow, we dip into our pockets. All we are asking for is free enterprise. Government does not need to step in and make big companies bigger and eliminate the need for competition and free market enterprise. Please vote NO on HB 1159.

Thank you for your time and the opportunity to speak,

A handwritten signature in black ink, appearing to read "Jarett Schatz", with a long horizontal line extending to the right.

Jarett Schatz  
Tri-N-Propane

House Appropriations Committee  
Testimony  
Cargill, Incorporated  
January 26, 2021

Honorable Chair, members of the House Appropriations Committee, thank you for the opportunity to testify in support of HB 1159, ensuring funding for critical natural gas infrastructure in North Dakota. My name is Becca Martin and I am director of state government relations for Cargill, based in Wayzata, MN. I'm here today representing Cargill's corn milling facility in Wahpeton where we grind approximately 90,000 bushels of corn a day to meet the needs of our food ingredient and animal feed customers.

Cargill provides food, agriculture, financial and industrial products and services to the world. Together with farmers, customers, governments, and communities, we help people thrive by applying our insights and 156 years of experience. We have 155,000 employees in 70 countries who are committed to feeding the world in a safe, responsible, and sustainable way.

With deep roots in North Dakota, we operate the Wahpeton facility and a soy crush plant in West Fargo. In total, Cargill employs more than 230 people in the state and these two plants represent an investment of more than \$260 million dollars.

Representative Mitskog and members of this Committee have been strong advocates for North Dakota having a reliable supply of natural gas throughout the state to promote economic growth and advance the interests of the state. We agree, businesses like ours and local communities require access to reliable and affordable energy to thrive and grow.

Cargill is proud to stand with its partners in the City of Wahpeton as a coalition that recognizes that the best way to protect interests of residential and industrial consumers of natural gas is to have the right infrastructure.

Like many companies, Cargill often evaluates our current asset footprint and strategic areas for growth. (Wahpeton is a unique facility from a Cargill standpoint because we do not own the asset and instead have an operating lease agreement with the owner, ProGold LLC). The decision as to where Cargill chooses to invest capital is more rigorous than ever and many variables for site selection are considered— utilities being a critical one. Cargill's Wahpeton facility has experienced multiple interruptions in service, causing us to shut down operations on several occasions. Inadequate natural gas service causes serious disruptions in our operations, limits our ability to service our customers, threatens the economic viability of the plant, and most certainly prohibits growth and expansion.



Having access to adequate and reliable supply of natural gas is imperative to maintaining Cargill's current operations in North Dakota as well as a critical factor as we evaluate potential future growth.

Cargill is your partner in advancing the best interests of the state of North Dakota and the farming community. We stand ready to work with you and your staff to continue advocating for additional natural gas supply and welcome the opportunity to share more information about the impact of this issue to Cargill and our operations here in North Dakota.

Thank you for your time.

A handwritten signature in black ink that reads "Becca Martin". The signature is written in a cursive, flowing style.

Becca Martin  
Director, Government Relations  
Cargill  
[Becca.Martin@cargill.com](mailto:Becca.Martin@cargill.com)  
(651) 470-3582

**Chairman Delzer and committee members, for the record I am Mark Ottis from Kindred**

**Thank you for allowing me to testify.**

We have a unique opportunity to attract new citizens to our communities with many companies allowing employees to work from home. The economics of many small communities rely on one or two major employers in one or two industries. The benefit of remote working is that people choose where they want to live, by how they want to live, not where their employment requires them to live.

I have witnessed this trend in my hometown, Kindred. In our community we have a small housing development that was started 13 years ago. One of the things that we learned early in the process was the disadvantage our community has, because it does not have natural gas. Natural gas offers the consumer a reliable convenient and economically attractive energy source. It is essential for attracting industry to our rural communities and it also may offer savings that help small businesses survive. For the past seven years, we have been trying to attract a supplier of natural gas. The challenges are similar to Rural Electrification. It's difficult to make the economics work with the number of customers that are present today. We also know, if natural gas was available in our communities we would grow. With the anticipated future growth the economics would work. We just need a little help getting there.

What I am trying to say is that Kindred is ready to grow, we have a desire to grow, and we offer an attractive lifestyle. Help us put the last piece of this puzzle in place.

Mark Ottis

**TESTIMONY IN SUPPORT OF HB 1159 TO PROVIDE AN APPROPRIATION TO THE INDUSTRIAL COMMISSION FOR NATURAL GAS INFRASTRUCTURE GRANTS**

House Appropriations Committee  
Meeting Scheduled at 9:30 AM 1/26/2021.

Honorable Chairman Delzer & House Appropriations Committee Members:

HB 1159 A BILL for an Act to provide an appropriation to the industrial commission for natural gas infrastructure grants; and to provide a statement of legislative intent.

Richland County, North Dakota is home to 41 manufacturers employing 1,795 people producing approximately \$1.2 billion dollars in shipments annually. The manufacturing sector is in a constant state of improved processes, gains in efficiency and management of key resources. The lack of uninterrupted natural gas service has reached a critical point in our region.

The current natural gas distribution system serving the City of Wahpeton and the adjacent manufacturing region falls short of demand approximately 8,000 dekatherms per day resulting in the interruption of natural gas service to industrial customers when the outside temperature reaches 20 degree or less. The same pipeline is approximately 60 years old and fully subscribed by upstream and out of state gas customers.

- A. **Business retention is essential.** Manufacturers with multiple sites will expand and relocate at their most productive and cost-efficient plants, which are not subject to unscheduled shutdowns by a natural gas utility provider.
- B. **Business expansion is curtailed.** Existing value-added agricultural processors cannot expand production capacity without consistent cost-effective utility services. A natural gas utility provider shutting down a processing plant with little notice for an undetermined amount of time is an unacceptable detriment to manufacturing efficiency.
- C. **Business recruitment is hindered.** Primary sector jobs with major manufacturers requiring uninterruptible natural gas service quickly rule out southeast North Dakota. Abundant agricultural crops, well-located development sites, and quick access to interstate transportation remain undeveloped because of limitations in natural gas distribution utility services.

I strongly **SUPPORT** the efforts of the Industrial Commission to take action to fund critical infrastructure to deliver natural gas to underserved areas of North Dakota.

Submitted with high regard on behalf of Wahpeton Community Development.



Steve Dale, Mayor  
Wahpeton, ND

Testimony in favor of HB1159 Phil Murphy for NDSGA

Natural gas is abundant and needs some mechanism for equitable distribution to prevent economic isolation in our rural areas. NDSGA supports this effort. If the committee has any questions during the hearing or otherwise, please call me at 701 430 9043.





**Testimony of Jennifer Greuel**  
**Economic Development Association of North Dakota**  
**In Support of HB 1159**  
**Jan. 26, 2021**

Chair Delzer and members of the House Appropriations committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1159.

EDND has been involved in conversations with utility companies, legislators, and the Public Service Commission (PSC) for many years about the topic of natural gas, most recently during the 2017 Legislative Session and Interim. The availability of natural gas and the expansion of natural gas infrastructure play a key role in the continued growth and vitality of many businesses, communities and the state. Natural gas is a resource typically required in order to attract any significant manufacturing opportunity. National site selectors have reported they won't consider a community for a manufacturing project if it does not have natural gas service. Therefore, communities with access to natural gas have an advantage over communities without it. According to Montana-Dakota Utilities, over 300 communities in the state currently do not have access to natural gas. This includes communities like Hazen, Beulah, Crosby, Bottineau, Belcourt, and New Town, as well as smaller towns.

The challenge of providing natural gas to unserved or underserved communities lies in financing the gap between the existing pipelines and the community. There is a lot that needs to be done in order to fill this gap, and we support these grants as a potential tool in the toolbox for communities. The economics for bringing natural gas services to communities will vary, and we know it may take more than one tool to meet the needs of these communities.

Thank you for the opportunity to express our support for HB 1159 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.

**HB 1159 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network**

HB 1159 has the appearance of being a very substantial subsidy to the natural gas industry.

It is the long-standing position of the North Dakota Watchdog Network that the role of the state should be in financing not funding such projects.

We support using the Bank of North Dakota to provide loans for such projects, which are deemed worthy through a Due Diligence process.

We oppose straight-out grants for such projects.

We also encourage the legislature to ease the regulatory climate, up to and including lobbying the federal government, to make such projects more viable.

# 2021 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Brynhild Haugland Room, State Capitol

HB 1159  
1/29/2021

A BILL for an Act to provide an appropriation to the industrial commission for natural gas infrastructure grants; and to provide a statement of legislative intent.
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**9:55 Chairman Delzer** Called meeting to order. Roll call was taken

<b>Attendance</b>	
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

## **Discussion Topics:**

- **Propane**
- **Natural Gas**

**9:55 Becca Martin- Director State government relations for Cargill (testimony #3612)**

**10:00 Representative Brandenburg** Review Amendment 21.0511.01002 Makes a motion to adopt Amendment .01002

**10:03 Representative Monson** Second the motion to Amend

**Voice Vote is taken, motion carries**

**10:04 Representative Brandenburg makes a motion for a Do Pass as Amended**

**Second by Representative Mitskog**

Further discussion; Roll call is taken;

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	A
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries 20-0-1 Representative Brandenburg will carry the bill**

**Additional written testimony:** No Additional testimony

**10:05 Chairman Delzer** Closes the hearing on HB 1159

*Risa Berube,*

*House Appropriations Committee Clerk*

DA/29/21  
10f1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1159

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study regarding natural gas infrastructure development.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY.** During the 2021-22 interim, the legislative management shall consider studying natural gas and propane infrastructure development in the state. The study must include consideration of the current infrastructure available for natural gas and propane, challenges related to the development of natural gas and propane infrastructure, community needs for natural gas and propane infrastructure, and a cost benefit analysis of any state incentives to encourage the development of natural gas and propane infrastructure. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1159: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1159 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study regarding natural gas infrastructure development.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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House Appropriations Committee  
Testimony  
Cargill, Incorporated  
January 26, 2021

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Representative Mitskog and members of this Committee have been strong advocates for North Dakota having a reliable supply of natural gas throughout the state to promote economic growth and advance the interests of the state. We agree, businesses like ours and local communities require access to reliable and affordable energy to thrive and grow.

Cargill is proud to stand with its partners in the City of Wahpeton as a coalition that recognizes that the best way to protect interests of residential and industrial consumers of natural gas is to have the right infrastructure.

Like many companies, Cargill often evaluates our current asset footprint and strategic areas for growth. (Wahpeton is a unique facility from a Cargill standpoint because we do not own the asset and instead have an operating lease agreement with the owner, ProGold LLC). The decision as to where Cargill chooses to invest capital is more rigorous than ever and many variables for site selection are considered— utilities being a critical one. Cargill's Wahpeton facility has experienced multiple interruptions in service, causing us to shut down operations on several occasions. Inadequate natural gas service causes serious disruptions in our operations, limits our ability to service our customers, threatens the economic viability of the plant, and most certainly prohibits growth and expansion.



Having access to adequate and reliable supply of natural gas is imperative to maintaining Cargill's current operations in North Dakota as well as a critical factor as we evaluate potential future growth.

Cargill is your partner in advancing the best interests of the state of North Dakota and the farming community. We stand ready to work with you and your staff to continue advocating for additional natural gas supply and welcome the opportunity to share more information about the impact of this issue to Cargill and our operations here in North Dakota.

Thank you for your time.

A handwritten signature in black ink that reads "Becca Martin". The signature is written in a cursive, flowing style.

Becca Martin  
Director, Government Relations  
Cargill  
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**2021 SENATE POLITICAL SUBDIVISIONS**

**HB 1159**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Sakakawea, State Capitol

HB 1159  
3/4/2021

A BILL for an Act to provide for a legislative management study regarding natural gas infrastructure development.
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**Chairman Burckhard** opened the hearing on HB 1159 at 9:30 a.m. Members present: Burckhard, Anderson, Lee, Larson, Kannianen, Oban, Heitkamp.

### Discussion Topics:

- Study of natural gas and industry
- Natural gas supply
- Federal regulations on pipeline construction
- Financing opportunities

**[9:30] Representative** Mike Brandenburg, District 28. Introduced HB 1159.

**[9:34] Representative** Alisa Mitskog, District 25. Provided oral testimony in favor.

**[9:40] Danette Welsh**, Director, Government Relations, ONEOK. Provided oral testimony in favor.

**[9:44] Ron Ness**, President, ND Petroleum Council. Provided oral testimony in favor.

**[9:52] Bill Wocken**, ND League of Cities. Provided oral testimony in favor.

**[9:54] Mike Rud**, President, ND Petroleum Marketers Association. Provided oral testimony in favor.

**Senator Larson** moves **DO PASS**

**Senator Kannianen** seconded.

Senators	Vote
Senator Randy A. Burckhard	Y
Senator Howard C. Anderson, Jr.	Y
Senator Jason G. Heitkamp	Y
Senator Jordan Kannianen	Y
Senator Diane Larson	Y
Senator Judy Lee	Y
Senator Erin Oban	Y

The motion passed 7-0-0

**Senator Larson** will carry HB 1159.

**[10:30] Senator Lee** recorded her YEA vote on HB 1159.

**Additional written testimony:** N/A

**Chairman Burckhard** closed the hearing on HB 1159 at 9:58 a.m.

*Patricia Lahr, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1159, as engrossed: Political Subdivisions Committee (Sen. Burckhard, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1159 was placed on the Fourteenth order on the calendar.