

2025 HOUSE ENERGY AND NATURAL RESOURCES

HB 1275

2025 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

HB 1275
1/23/2025

A BILL for an Act to provide an appropriation to the industrial commission for a natural gas supply infrastructure grant program.

2:17 p.m. Chairman Porter opened the hearing.

Members Present: Chairman Porter, Vice Chairman Anderson, Vice Chairwoman Novak, Representatives: Dockter, Hagert, Headland, Heinert, Johnson, Marschall, J. Olson, M. Ruby, Conmy, Foss

Discussion Topics:

- Natural gas
- Small cities
- Grant programs

2:17 p.m. Representative Dwight Keifert, North Dakota Representative for District 24, introduced the bill.

2:22 p.m. Shane Goettle, testified in favor #31027.

2:23 p.m. Kelly Woessner, Auditor, City of Parshall, testified in favor and provided testimony #30926.

2:27 p.m. Blair Thoreson, Dakota Natural Gas LLC, testified in favor and provided testimony #31042.

2:31 p.m. Justin Kringstad, ND PA, Director, testified neutral.

Additional written testimony:

Laura Lacher, Executive Director, Economic Development Association of ND, submitted testimony in favor #31029.

Jennifer Feist, Valley City-Barnes County Development Corporation, submitted testimony in favor #29777.

2:34 p.m. Chairman Porter closed the hearing.

Janae Pinks, Committee Clerk for Leah Kuball, Committee Clerk



January 13, 2025

Honorable Representative Dwight Kiefert
State Representative
600 East Boulevard Avenue
Bismarck, ND 58505

RE: HB 1275

Dear Representative Kiefert:

The Valley City-Barnes County Development Corporation is requesting establishment of a Natural Gas Last Mile Fund of \$5 Million for communities under 10,000 population to assist with natural gas pipeline extensions to homeowners and businesses. In Valley City, the natural gas line is located on the north side of the Interstate and needs to be extended to the south side.

Communities with a population of 10,000 and under do not have the financial resources to support infrastructure costs including extension of the natural gas main line. The Public Service Commission limits the amount of funds that the natural gas provider can invest per home, which exacerbates the problem.

Another deterrent is the first party that pursues and installs a gas line to their home or business pays 100 percent of the cost with a five-year window to recover costs.

The first party is also charged with the responsibility of collecting from other homeowners, and businesses that access the line. Consequently, nothing happens.

Natural gas is needed for housing and business development and would save operating costs. Using natural gas would also help communities save on electrical consumption and cost, which impacts the entire community. Natural gas consumption is also important at the State level.

The cost of all forms of infrastructure, specifically natural gas lines, water and sanitary sewer main lines, and storm sewer systems are strangling rural communities and any potential they have for growth – residential, commercial, and industrial. Investment in rural North Dakota communities is essential and very much needed. Thank you.

Respectfully,

A handwritten signature in blue ink that reads 'Jennifer Feist'.

Jennifer Feist
Director of Development

Natural Gas to rural communities
City of Parshall
January 23, 2025

Good Morning Chairperson and Legislative members. I would like to thank you for this opportunity to testify on the issue before this committee for HB 1275. I am Kelly Woessner, City Auditor of the City of Parshall and I am here to represent our small community on the Ft. Berthold Reservation. We are located in the Bakken area and have constant flaring and waste of the natural gases in this part of ND. I attended the last session and testified for a study to be performed. We were asking the State of North Dakota to help smaller communities obtain support and funding to be able to utilize this natural resource for heating our homes. Well, we are a step closer. The cost of this venture is astronomical and communities like ours would need financial help. This advancement is a start.

Refineries still need to be built; transmission lines still need to be in place in order for infrastructure to be installed. I know that testimony during the last legislative session, there was discussion on transmission lines versus distribution lines. The way I see it is a line that gets a commodity to its final point means the same thing and if we can get these lines to the communities that are interested in installing natural gas for their residents, it will give them a reliable source for heating their homes.

North Dakota winters can and have been brutal, like this last weekend and pipelines are a sure way to get the people what they need for heating and everyday life. I have had a lot of calls because homes have frozen water lines that have broken for various reasons including that they have run out of propane. Natural gas won't solve the breakdown issues, but it could resolve the running out of gas issues. At this time propane and fuel oils are instrumental in heating most of the homes in small communities. There is no infrastructure to directly feed these commodities. It has to be trucked and hauled. In the winter months this becomes an obstacle for delivery drivers to get their product to where it is needed. Our community is constantly called in to remove snow for a propane or fuel oil customer to get their tanks filled. With a Natural gas pipeline into our communities, there would be less problems getting that needed commodity for heating or cooking. There would be no need to watch the tank and have to call out for a delivery and hope they arrive before your tank runs out.

The option for industry and businesses coming to our area in the State are limited. They look for the benefits of utilities such as natural gas, when they decide where to build. Growth and expansion with that commodity could open so many more doors and options for rural North Dakota and help our smaller communities grow. Natural gas may not be for everyone, but the future doesn't wait for anyone. Technology advances and waits for no one.

We have been in discussion to get a distribution line to our area including the communities of New Town, Parshall, and Plaza at an estimated cost of \$80,000,000. This does not put it into the city limits. Our residents then would have to pay for it to get on their properties. This proposed State funding is a start and would help benefit the communities that are interested in pursuing this needed progress to move forward.

Kelly Woessner, City Auditor, City of Parshall

House Energy and Natural Resources Committee**Chairman Todd Porter****January 23, 2025****Testimony****Jay Standish, Mayor of New Town, North Dakota****HB 1275**

Chairman Porter and members of the Committee:

My name is Jay Standish, and I am the duly elected Mayor of the City of New Town, North Dakota, as well as a lifetime resident and an enrolled member of the Three Affiliated Tribes. I am here to express my strong support for HB 1275, which provides a \$5 million appropriation for a natural gas supply infrastructure grant program to the Industrial Commission.

Access to natural gas is a persistent challenge for small, rural communities like New Town. The ability to heat our homes affordably and reliably is not just a convenience; it is a necessity. Unfortunately, the lack of infrastructure to deliver natural gas to our community and others in the region continues to leave us dependent on less efficient, more costly, and often less environmentally friendly energy options.

HB 1275 is a vital step forward. This legislation creates a grant program to fund the installation of natural gas supply infrastructure in cities with populations of no more than 10,000. For communities like New Town, this targeted investment will address a fundamental need, improving energy access while lowering costs for residents and businesses.

New Town offers significant potential for both residential and industrial development. However, the absence of natural gas infrastructure has hindered growth and discouraged investment. Reliable access to natural gas would make our community more attractive for industrial opportunities, such as manufacturing or processing facilities, while also providing an affordable energy source to support residential expansion. By passing HB 1275, the state can help unlock these opportunities, ensuring our community has the tools it needs to thrive.

By advancing this bill, the state has an opportunity to enhance the quality of life for thousands of North Dakotans, reduce energy costs, and make better use of the abundant natural gas resources that are already available. It also supports economic growth in rural areas by making energy more affordable and reliable for small businesses and residents alike.

On behalf of the citizens of New Town, I thank you for considering this legislation and for your commitment to supporting the needs of rural North Dakota. I respectfully ask for your favorable consideration of HB 1275, which will ensure that small communities like mine are not left behind when it comes to accessing this essential resource.

Sincerely,

Jay Standish

Mayor, City of New Town



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

**Testimony of Laura Lacher
Economic Development Association of North Dakota
In Support of HB 1275
January 23, 2025**

Chair Porter and members of the House Energy and Natural Resources Committee:

My name is Laura Lacher, and I am the executive director of the Economic Development Association of North Dakota (EDND). EDND represents more than 80 state economic development organizations and businesses on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota, develop more vibrant communities and improve quality of life. I want to express our support for HB 1275.

EDND has been involved in conversations with utility companies, legislators, and the Public Service Commission for many years about the topic of natural gas. The availability of natural gas and the expansion of natural gas infrastructure play a vital role in the continued growth and vitality of many businesses, communities and the state. Because of its low-cost and abundance, natural gas offers the promise of an energy future that is affordable and accessible to all incomes and communities. Communities with access to natural gas have an advantage over communities without it.

The challenge of providing natural gas to unserved or underserved communities lies in financing the gap between the existing pipelines and the community. A lot needs to be done to fill this gap, and we support every effort, including an accessibility study to bring natural gas services to underserved communities throughout the state.

Thank you for the opportunity to express our support for HB 1275 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.



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Send us an email: dng@dakotaturalgas.com

House Bill No. 1275
Testimony
Kristine Anderson, Regulatory Affairs & Corporate Counsel
Dakota Natural Gas, LLC
House Energy and Natural Resources Committee
January 23, 2023

Chairman Porter and members of the Committee, my name is Kristine Anderson. I am the in-house corporate attorney for Dakota Natural Gas, LLC, and I also handle regulatory affairs for the company. DNG supports House Bill 1275 because it is an excellent step forward to encourage expansion of natural gas access throughout North Dakota.

Reliable energy is a vital component of society, impacting everything from quality of life to human progress, and that will remain the case in perpetuity. Residents and businesses that have natural gas service generally take it for granted, but there are thousands of people living in areas around the state that do not have any access to natural gas. DNG is focused on providing gas to them, because the lack of access to this essential service affects the quality of life, standard of living, and economic development for those communities. Since finding creative solutions to bring natural gas to new areas is DNG's forte, this bill falls squarely within an area that DNG knows something about.

Expanding a natural gas distribution system to a sizeable area that is contiguous to or near existing service is expensive; and building a distribution system for an unserved area that is some distance away is even more expensive. In 2022, the Interim Energy Development and Transmission Committee identified the cost of building distribution systems as lying between \$750,000 and two million dollars – and that is just the beginning, depending on where the service will be. Unlike many industries, natural gas distribution companies are rate-regulated, so they cannot simply decide to set high rates to recoup their costs of construction quickly. In fact, it generally takes ten to fifteen years for the cost of building a new natural gas system to be earned back before a system becomes profitable.

HB 1275 is an excellent step forward, because it may help expand natural gas distribution to unserved communities, or parts of communities, that are near existing service areas. While a \$5,000,000 grant fund may not be enough to tackle expanding natural gas distribution to parts of the state that are not near existing service territories or interstate pipelines, it could be enough to make a real difference in the lives of some of the State's unserved residents.

DNG has stood before North Dakota's legislative committees multiple times in recent years in support of efforts to expand natural gas distribution, and it will continue to do so. Without intervention from the legislature, unserved areas are likely to continue to remain unserved because, if the economics don't make sense, the distribution facilities simply cannot be built. Funds like those contemplated in this bill should be dedicated to expanding gas to unserved areas where expansion is an otherwise uneconomic proposition rather than being offered for use in currently served areas. Only through financial support and creative approaches can natural gas access be expanded to bring an essential service to those that currently lack access to it. I encourage you to take this step in the right direction.

Thank you for the opportunity to share DNG's support with you. A grant fund such as that proposed here is another step forward in the endeavor to expand natural gas access within North Dakota. I respectfully request that you support it. Please give House Bill 1275 a do-pass recommendation.

2025 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HB 1275

2/6/2025

A BILL for an Act to provide an appropriation to the industrial commission for a natural gas supply infrastructure grant program.

11:01 a.m. Chairman Porter called the hearing to order.

Members Present: Chairman Porter, Vice Chairman Anderson, Vice Chair Novak,
Representatives: Dockter, Hagert, Headland, Heinert, Johnson, Marschall, Olson, M. Ruby,
Conmy, Foss

Discussion Topics:

- Committee action

11:02 a.m. Representative J. Olson moved to adopt the Amendment proposed in testimony #36277.

11:02 a.m. Representative Hagert seconded the motion.

Voice Vote: Motion carried

11:02 a.m. Representative J. Olson moved a Do Pass as Amended and rereferred to the Appropriations committee.

11:02 a.m. Vice Chair Novak seconded the motion.

Representatives	Vote
Representative Todd Porter	Y
Representative Dick Anderson	Y
Representative Anna Novak	Y
Representative Liz Conmy	Y
Representative Jason Dockter	AB
Representative Austin Foss	Y
Representative Jared c. Hagert	Y
Representative Craig Headland	Y
Representative Pat D. Heinert	AB
Representative Jorin Johnson	Y
Representative Andrew Marschall	Y
Representative Jeremy L. Olson	Y
Representative Matthew Ruby	Y

Motion carried: 11-0-2

11:04 a.m. Representative J. Olson will carry the bill.

House Energy and Natural Resources Committee

HB 1275

03-06-25

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11:04 a.m. Chairman Porter closed the hearing.

Leah Kuball, Committee Clerk

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1275

Introduced by

Representatives Kiefert, K. Anderson, Beltz, Brandenburg, Christy, Dobervich, Dockter,
Fegley, D. Johnston

Senators Conley, Wobbema

2.6.25
JH
1081

1 A BILL for an Act to provide an appropriation to the industrial commission for a natural gas
2 supply infrastructure grant program.

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

4 **SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

5 **FUND - INDUSTRIAL COMMISSION - NATURAL GAS ~~SUPPLY~~DISTRIBUTION**

6 **INFRASTRUCTURE GRANTS - ONE-TIME FUNDING.** There is appropriated out of any
7 moneys in the strategic investment and improvements fund, not otherwise appropriated, the
8 sum of \$5,000,000, or so much of the sum as may be necessary, to the industrial commission,
9 for a natural gas ~~supply~~distribution infrastructure grant program, for the biennium beginning
10 July 1, 2025, and ending June 30, 2027. The industrial commission shall develop guidelines for
11 a natural gas ~~supply~~distribution infrastructure grant program, including the eligibility criteria and
12 maximum grant amounts. The grant funding is available to political subdivisions, public service
13 commission regulated gas distribution entities, and individuals located in cities with a population
14 of no more than ten thousand. The grant funding may be used only for costs to install natural
15 gas ~~supply~~distribution infrastructure. The funding provided in this section is considered a
16 one-time funding item. A grant applicant shall provide a minimum of fifty percent matching
17 funds, with priority given to a project having a greater level of matching funds.

**REPORT OF STANDING COMMITTEE
HB 1275**

Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS** ([25.1056.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1275 was placed on the Sixth order on the calendar.

IC Bill Position: NEUTRAL

Clarification Edits V1.0

HOUSE BILL NO. 1275

Representatives Kiefert, K. Anderson, Beltz, Brandenburg, Christy, Dobervich, Dockter, Fegley, D. Johnston

Senators Conley, Wobbema

- 1 A BILL for an Act to provide an appropriation to the industrial commission for a natural gas
2 supply infrastructure grant program.

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

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5 **FUND - INDUSTRIAL COMMISSION - NATURAL GAS SUPPLY INFRASTRUCTURE**

- 6 **GRANTS - ONE-TIME FUNDING.** There is appropriated out of any moneys in the strategic
7 investment and improvements fund, not otherwise appropriated, the sum of \$5,000,000, or so
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12 available to political subdivisions, and North Dakota Public Service Commission regulated gas
distribution entities, ~~and individuals~~ located in cities with a population of
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14 ~~supply distribution~~ infrastructure. The funding provided in this section is considered a one-time
funding item. Grant applicants shall provide a minimum of fifty percent matching project funds,
with priority given to projects with higher levels of matching funds.

2025 HOUSE APPROPRIATIONS

HB 1275

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1275
2/19/2025

BILL for an Act to provide an appropriation to the industrial commission for a natural gas distribution infrastructure grant program.

10:33 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- SIIF Fund
- Natural Gas infrastructure
- New service areas

10:34 a.m. Representative J. Olson Introduced the bill.

10:42 a.m. Chairman Vigesaa closed the meeting for 1275.

Krystal Eberle for Risa Berube, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1275
2/19/2025

BILL for an Act to provide an appropriation to the industrial commission for a natural gas distribution infrastructure grant program.

7:15 p.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Committee Action

7:16 p.m. Representative Kempenich moved a Do Not Pass.

7:16 p.m. Representative Murphy seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	N
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y

Representative Scott Wagner	Y
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7:17 p.m. Motion Passed 20-3-0. Representative Kempenich will carry.

7:18 p.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Risa Berube, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1275 ([25.1056.02000](#))**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO NOT PASS** (20 YEAS, 3 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1275 was placed on the Eleventh order on the calendar.