

2025 SENATE ENERGY AND NATURAL RESOURCES

SB 2188

2025 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2188
1/23/2025

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.

9:00 a.m. Chairman Patten opened the meeting.

Members present:

Chairman Patten, Vice Chairman Kessel, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting.

Discussion Topics:

- Grants & loans
- Water resources
- Structures of loans
- Estimated Project Costs
- Fixed interest rate
- Oil & gas research projects

9:01 a.m. Senator Dale Patten introduced the bill.

9:02 a.m. Reice Haase, Director Department of Water Resources, testified in favor and submitted testimony #30713.

9:05 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, testified in favor and submitted testimony #30991 and 30992.

9:27 a.m. Ron Ness, President of ND Petroleum Council, testified in favor.

9:32 a.m. Jonathan Fortner Vice President of Government Relations and External Affairs, Lignite Energy Council testified in favor.

Additional written testimony:

Tyler Hamman, Energy & Environmental Research Center, submitted testimony in favor #30875.

9:37 a.m. Vice Chairman Kessel closed the hearing.

Kendra McCann, Committee Clerk



Testimony in Support of
SB 2188
Senate Energy and Natural Resources
January 23, 2025

TESTIMONY OF

Reice Haase, Director, Department of Water Resources

Chairman Patten, and members of the Senate Energy and Natural Resources Committee, I am Reice Haase, the Director of the Department of Water Resources. I'm here today to provide testimony in support Senate Bill 2188.

This bill adds the Department of Water Resources Director, or designee, as a technical advisor to the Clean Sustainable Energy Authority.

The Clean Sustainable Energy Authority plays a critical role in advancing research, development, and technological innovations to support large-scale energy projects. By fostering partnerships and providing financial support, the Authority promotes projects, processes, and technologies that reduce environmental impacts and enhance the sustainability of energy production and delivery.

Water is a critical resource in many energy projects, whether for cooling, processing, or other operational needs. Adding the Department of Water Resources as a technical advisor would bring valuable expertise on water availability, management, and sustainability, helping the Authority make well-informed decisions.

Thank you for your time and the chance to testify. I'm happy to answer any questions you might have



Energy & Environmental Research Center

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www.undeerc.org

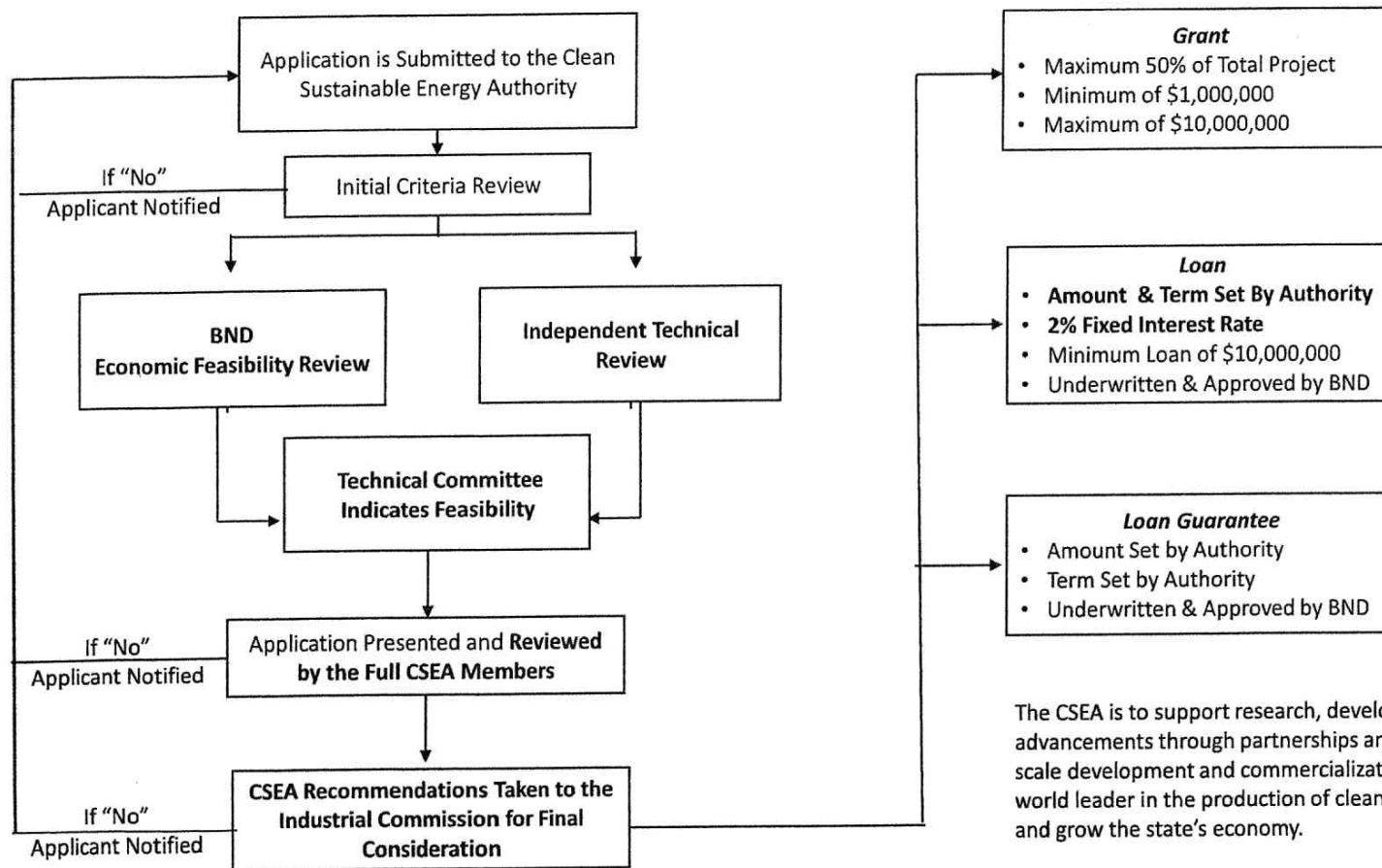
Chairman Patten, members of the committee, on behalf of the Energy & Environmental Research Center (EERC) we appreciate this opportunity to offer comments regarding Senate Bill 2188. The EERC is a leading developer of cleaner, more efficient energy and environmental technologies to address critical energy challenges. Since its inception in 2021, the Clean Sustainable Energy Authority (CSEA) has played an important role in our shared goal of developing technological advancements and deploying innovative energy projects in the State of North Dakota.

As of 2022, North Dakota was 8th in total energy production, producing 4.114 quads of energy – over 4 trillion BTUs. The state has the 3rd highest per capita GDP in the nation and has the 8th lowest retail electric prices. The success we have enjoyed in powering our state, region, and nation is a testament to the legislature's forward thinking and investment in energy research and development. The establishment of the CSEA provided important assistance to move projects past the development pathway and to commercialization, where North Dakotans can realize the benefits of jobs, energy production, and tax revenues.

The EERC has leveraged competitive funding through the CSEA to advance many important initiatives for North Dakota's energy industry. CSEA funds have supported the development of a front-end engineering and design study for postcombustion carbon capture at the Coal Creek Station, North Dakota's single largest electric generation plant, as well as work to expand the Dickinson renewable fuels refinery through sustainable aviation fuel. The CSEA has supported proposals from other technology developers to expand and improve North Dakota's energy industries such as green pig iron, long-duration energy storage for lithium-ion batteries, a largescale gas-to-liquids plant, commercial deployment of carbon capture and sequestration from a North Dakota ethanol facility, and many value-added energy projects. The funding allocated by Senate Bill 2188 will allow the CSEA to continue advancing new technologies that will enhance the production of clean sustainable energy and maximize North Dakota's energy resources and the benefits they provide to all North Dakotans.

In short, the CSEA has been instrumental to the success of our energy industries, and will continue to play a critical role going forward. Thank you again for the opportunity to offer comments, and we appreciate the sponsors of this legislation for their continued support of the CSEA.

CSEA Process Flow For Project Review and Approval



The CSEA is to support research, development and technological advancements through partnerships and financial support for the large-scale development and commercialization of projects...to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state's economy.

*Bold items outlined in statute.

Clean Sustainable Energy Authority – January 23, 2025:**Balance Sheet:**

<u>Clean Sustainable Energy Authority</u>	
Cash Balance	3,529,263.57
Line of Credit Available	373,529,999.77
Available Funds	377,059,263.34
Loans Outstanding	44,379,411.44
In Construction Commitments	40,112,883.11
Approved Commitments	321,000,000.00
Pending Applications	-
Current Available	15,946,380.23
2023 - 2025 Remaining Repayments	2,202,093.17
Available for New Loans as of 6/30/2025	18,148,473.40
2025 - 2027 Repayments	15,309,068.33
Available for New Loans as of 6/30/2027	33,457,541.73

Line of Credit balance:

- Net pay off is \$19,685,134
 - Principal of \$16,470,000
 - Interest of \$3,215,134
 - Current interest rate is 5.961% - rate to all loan made to state agencies

2025 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Peace Garden Room, State Capitol

SB 2188

1/23/2025

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.

Members present:

Chairman Patten, Vice Chairman Kessel, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting.

10:43 a.m. Chairman Patten opened the hearing.

Discussion Topics:

- Process of projects
- Oil and gas tax dollars
- Loan side dollar amount
- Document correction
- Water resources
- Project Tundra

10:43 a.m. Chairman Patten updated the committee on the background of the bill.

11:00 a.m. Chairman Patten closed the hearing.

Kendra McCann, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2188
1/23/2025

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.

11:25 a.m. Chairman Patten opened the hearing.

Members present:

Chairman Patten, Vice Chairman Kessel, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting.

Discussion Topics:

- Funding adjustments
- Committee Action

11:25 a.m. Senator Gerhardt moved amendment LC# 25.0563.01002.

11:25 a.m. Senator Kessel seconded.

Senators	Vote
Senator Dale Patten	Y
Senator Greg Kessel	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Justin Gerhardt	Y
Senator Desiree Van Oosting	Y

Motion Carried 7-0-0.

11:28 a.m. Senator Gerhardt moved a Do Pass as Amended and rerefer to Appropriations committee.

11:28 a.m. Vice Chairman Kessel seconded the motion.

Senators	Vote
Senator Dale Patten	Y
Senator Greg Kessel	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Justin Gerhardt	Y
Senator Desiree Van Oosting	Y

Motion Carried 7-0-0.

11:28 a.m. Chairman Patten will carry the bill.

11:30 a.m. Chairman Patten closed the hearing.

Kendra McCann, Committee Clerk

25.0563.01002
Title.02000

Adopted by the Energy and Natural
Resources Committee
January 23, 2025

RT 1/23/25
1 of 2

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

- 1 A BILL for an Act to amend and reenact section 54-63.1-03 of the North Dakota Century Code,
2 relating to the membership of the clean sustainable energy authority; and to provide a transfer.

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

- 4 **SECTION 1. AMENDMENT.** Section 54-63.1-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-63.1-03. Clean sustainable energy authority - Membership - Meetings.**

- 7 1. The clean sustainable energy authority consists of ~~seventeen~~eighteen members,
8 including nine voting members and ~~eight~~nine nonvoting technical advisors.
9 2. The nine voting members consist of:
10 a. Two members, one from the senate and one from the house of representatives,
11 appointed by the legislative management to serve as co-chairmen;
12 b. Two members appointed by the lignite research council;
13 c. Two members appointed by the oil and gas research council;
14 d. Two members appointed by the renewable energy council; and
15 e. One member appointed by the western Dakota energy association.
16 3. The ~~eight~~nine nonvoting technical advisors consist of:
17 a. One member appointed by the North Dakota outdoor heritage fund advisory
18 board;
19 b. The commissioner of commerce or the commissioner's designee;
20 c. The director of the department of environmental quality or the director's designee;

- 1 d. The director of the department of water resources or director's designee;
- 2 e. The director of mineral resources or the director's designee;
- 3 e-f. The director of the North Dakota pipeline authority or the director's designee;
- 4 f-g. The director of the North Dakota transmission authority or the director's designee;
- 5 g-h. The director of the state energy research center or the director's designee; and
- 6 h-i. The president of the Bank of North Dakota or the president's designee.
- 7 4. The term of office for each co-chairman is two years. The term of office for the other
- 8 voting members is four years, and the other voting members may not serve more than
- 9 two consecutive terms. The terms of office for the voting members commence on July
- 10 first. The initial terms for the voting members of the authority must be staggered
- 11 following a method determined by the authority.
- 12 5. The authority shall meet at least semiannually. The co-chairmen shall call a meeting
- 13 upon written request from three voting members of the authority. Five voting members
- 14 is a quorum at any meeting.
- 15 6. The authority may not forward a recommendation to the commission unless the
- 16 recommendation fulfills the purposes of this chapter and is approved by a majority of
- 17 the voting members of the authority.

- 18 **SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
- 19 **CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS.** During the biennium beginning
- 20 July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the
- 21 sum of \$130,000,000 from the strategic investment and improvements fund to the clean
- 22 sustainable energy fund, as follows:
- 23 1. \$30,000,000 for grants; and
 - 24 2. ~~\$100,000,000~~ \$100,000,000 to repay a line of credit and to provide funding for loans.

**REPORT OF STANDING COMMITTEE
SB 2188**

Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **AMENDMENTS** ([25.0563.01002](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2188 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

SB 2188

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2188
2/3/2025

A BILL for an Act to amend and reenact section 54-63.1-03 of the North Dakota Century Code, relating to the membership of the clean sustainable energy authority; and to provide a transfer.

4:10 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Extending Lines of Credit

4:10 p.m. Senator Patten, District 6, introduced the bill and testified in favor.

4:11 p.m. Kylie Merkel, Business Banker, Bank of ND, testified in favor and submitted testimony #34031.

4:12 p.m. Senator Patten, District 6, testified in favor.

4:14 p.m. Courtney Heiser, Business Banker, BND, testified in favor.

4:15 p.m. Senator Patten, District 6, testified in favor.

4:16 p.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

SECTION 3. AMENDMENT. Section 54-63.1-07 is amended and reenacted as follows:

54-63.1-07. Clean sustainable energy fund – Continuing appropriation – Line of credit – Loans – Repayments.

1. There is created in the state treasury the clean sustainable energy fund. The fund consists of all moneys transferred to the fund by the legislative assembly; loan proceeds; interest upon moneys in the fund; principal and interest payments to the fund; and donations, grants, and other contributions received by the commission for deposit in the fund. All moneys in the fund are appropriated to the commission on a continuing basis to provide grants, loans, and other financial assistance and for administrative and operating costs of the authority and program pursuant to the provisions under this chapter.
2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees. The Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.
3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed three hundred ninety million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on ~~June 30, 2025~~ June 30, 2029, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.
4. The industrial commission may access the line of credit to the extent needed through ~~June 30, 2025~~ June 30, 2029, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund. Any moneys borrowed from the Bank of North Dakota pursuant to this section must be transferred to the clean sustainable energy fund to support loans or loan guarantees.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2188
2/18/2025

A BILL for an Act to amend and reenact section 54-63.1-03 of the North Dakota Century Code, relating to the membership of the clean sustainable energy authority; and to provide a transfer.

3:28 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Changes in funding allotment.

3:28 p.m. Senator Schaible moved to adopt amendment LC #25.0563.02001 and submitted testimony in favor #38062.

3:29 p.m. Senator Conley Seconded.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

3:31 p.m. Senator Schaible moved Do Pass as amended.

3:31 p.m. Seconded by Thomas.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

Chairman Sorvaag will carry the bill.

3:31 p.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

25.0563.02001
Title.

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

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 - 12 b. Two members appointed by the lignite research council;
 - 13 c. Two members appointed by the oil and gas research council;
 - 14 d. Two members appointed by the renewable energy council; and
 - 15 e. One member appointed by the western Dakota energy association.
- 16 3. The ~~eight~~nine nonvoting technical advisors consist of:
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 - 18 board;
 - 19 b. The commissioner of commerce or the commissioner's designee;

- 1 c. The director of the department of environmental quality or the director's designee;
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21 July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the
22 sum of ~~\$130,000,000~~\$55,000,000 from the strategic investment and improvements fund to the
23 clean sustainable energy fund, as follows:

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- 25 2. ~~\$100,000,000~~\$40,000,000 to repay a line of credit and to provide funding for loans.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2188
2/19/2025

A BILL for an Act to amend and reenact section 54-63.1-03 of the North Dakota Century Code, relating to the membership of the clean sustainable energy authority; and to provide a transfer.

9:44 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Board Member Addition
- Line of Credit Repayment

9:45 a.m. Senator Sorvaag introduced the bill and submitted testimony #38051.

9:46 a.m. Senator Sorvaag moved amendment LC 25.0563.02001

9:46 a.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:48 a.m. Senator Sorvaag moved a Do Pass as Amended.

9:48 a.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-1-0.

Senator Patten will carry the bill.

9:51 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

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NAT 2/19/25
1 of 2

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**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2188**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0563.02001](#)) and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2188 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2-19-25
25.0563.02001
Title.

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

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 - 12 following a method determined by the authority.
 - 13 5. The authority shall meet at least semiannually. The co-chairmen shall call a meeting
 - 14 upon written request from three voting members of the authority. Five voting members
 - 15 is a quorum at any meeting.
 - 16 6. The authority may not forward a recommendation to the commission unless the
 - 17 recommendation fulfills the purposes of this chapter and is approved by a majority of
 - 18 the voting members of the authority.

19 **SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
20 **CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS.** During the biennium beginning
21 July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the
22 sum of ~~\$130,000,000~~\$55,000,000 from the strategic investment and improvements fund to the
23 clean sustainable energy fund, as follows:

- 24 1. ~~\$30,000,000~~\$15,000,000 for grants; and
- 25 2. ~~\$100,000,000~~\$40,000,000 to repay a line of credit and to provide funding for loans.

2025 HOUSE ENERGY AND NATURAL RESOURCES

SB 2188

2025 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

SB 2188

3/13/2025

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.

9:13 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:

- Grant awards
- Great Plains Hydrogen Hub project
- Cerilon Project
- Wellspring Hydro Project
- Carbon Capture project
- Green Pig Iron Project

9:13 a.m. Senator Patten introduced the bill.

9:15 a.m. Jordan Kannianen, Deputy Director, ND Industrial Commission, testified in favor and submitted testimony. #40457

9:27 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of ND, BND, testified in favor and submitted testimony. # 41283 #41299

9:38 a.m. Reice Haase, Director, Department of Water Resources, testified in favor and submitted testimony. #41103

9:39 a.m. Andrea Pfennig, Greater energy of ND testified in favor.

9:39 a.m. Josh Demorrett, Director, State Government Affairs, ConocoPhillips, testified in favor.

9:40 a.m. Chairman Porter closed the hearing.

Leah Kuball, Committee Clerk

Clean Sustainable Energy Authority

Grant Program Overview

Jordan Kannianen, NDIC Deputy Executive Director

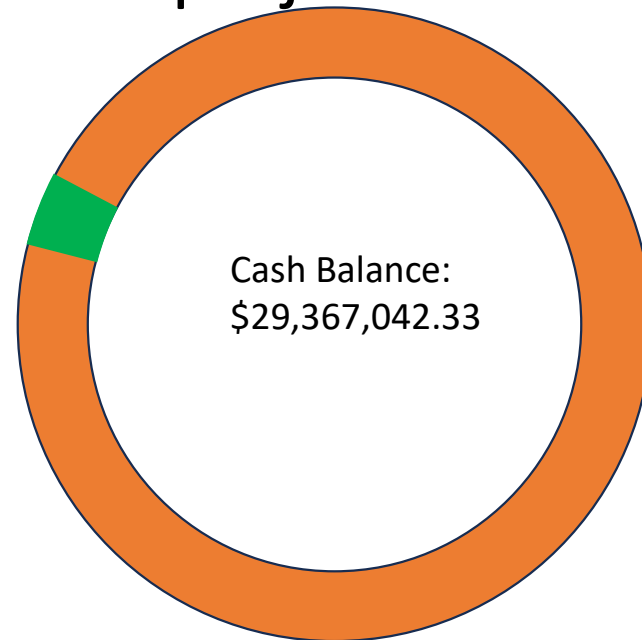
History of CSEA

- 2021 Session: Created with HB 1452
 - \$25M for grants (General Fund), \$250 LOC from BND for loans
- 2021 Special Session:
 - Additional \$20M of ARPA funds earmarked for Hydrogen projects.
- 2023 Session:
 - Additional \$30M for grants (SIIF), and LOC expanded to \$390M
 - \$5.3M authorized to SERC for underground storage projects (from Hydrogen grant funds)
- 2023 Special Session:
 - \$125M forgivable loan for fertilizer project
- 2025 Session:
 - Proposal of \$30M for grants and \$100M additional loan authority

Current Status

20 Cumulative Projects
\$74.5M in total grant awards
\$12.1M in returned commitments
\$545.5M loaned
\$6.2B project value

Uncommitted
Cash Available:
\$477,157.73

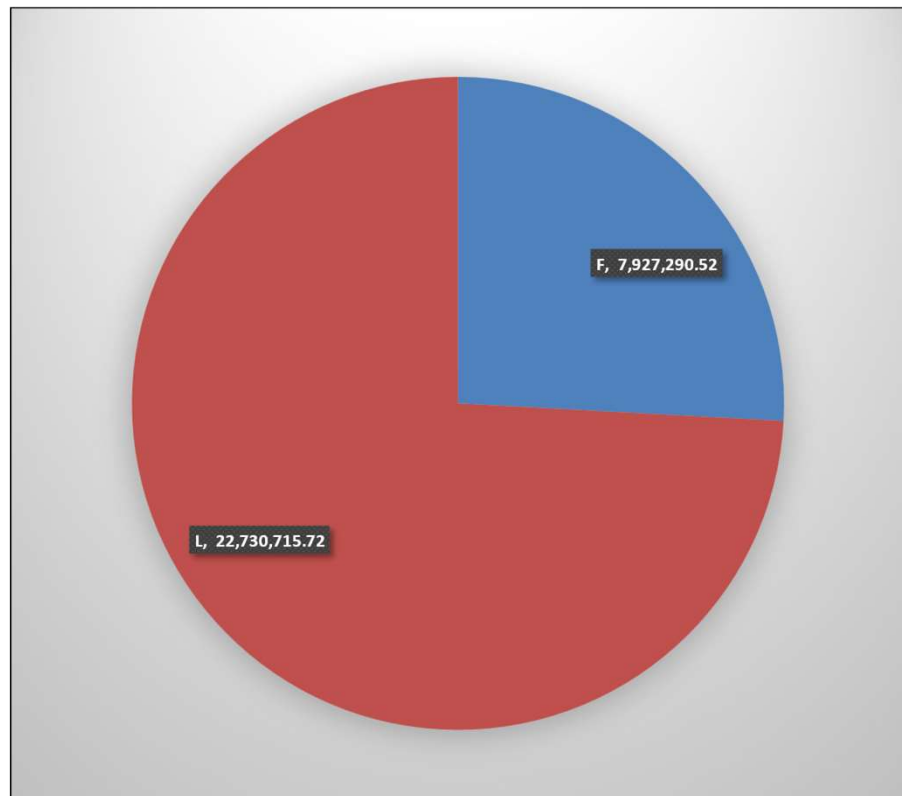


Outstanding
Commitments/
Expenses:
\$28,889,884.60

CSEA 2023-2025 Biennium Report

Total Dollars Spent Since Program Inception in 2021

Total Dollars Spent	30,658,006.24
Hydrogen Funding (Federal)	7,927,290.52
Legislatively Directed	22,730,715.72



Great Plains Hydrogen Hub project

- Bakken Energy, LLC was going to purchase the Great Plains Synfuels Plant from Basin Electric
- Awarded \$10M grant and \$80M loan
- Contract signed Feb 2022
- Deal fell through due to changing gas and hydrogen markets
- Contract terminated April 2023
- \$4,763,929.12 of the grant was spent
- \$5,236,070.88 of the grant was decommitted
- Entire \$80M loan was decommitted

Cerilon

GTL

Phase 1

- Proposed project would use natural gas to create synthetic products
- Awarded \$7M grant and \$40M loan
- Contract signed April 2022
- Front-End Loading Stage 2 completed
- Grant paid out and completed

Wellspring Hydro

Produced Water

- Using produced water from the Bakken to produce lithium and chlor-alkali, etc.
- Awarded \$1M grant.
- Contract signed January 2022.
- Completed Front-End Loading Phase 3
- Grant paid out and completed.

Midwest
Ag Energy

Blue Flint
Carbon
Capture

- Awarded \$3M grant and \$100M loan
- Contract signed January 2022
- Constructed Capture Compression & Dehydration Facility, an injection well, a monitoring well, and a CO2 transport line.
- Obtained Class VI permit
- Successfully executed project demonstrated CO2 emissions could be managed successfully, enhancing ethanol production
- Grant paid out and Completed

EERC

Coal Creek CCUS Design

- Front-end Engineering and Design (FEED) for CO₂ capture project at Coal Creek Station.
- Awarded \$7M grant
- Contract signed February 2022
- Remaining Commitment: \$1,582,099.63

Enerplus

Engine Carbon Capture

- Awarded \$1M Grant
- Evaluate and test industrial scale carbon capture from natural gas power generators
- Chord Energy subsequently purchased Enerplus
- No contract was signed
- Company will need to reapply for grant funds

EERC

Liberty H2 Hub

- Awarded \$10M ARPA grant
- Contract signed November 2022
- FEED study supporting large-scale H2 production, transport, and storage at the Prairie Horizon facility
- Chose to halt further spend due to premature hydrogen markets
- Returned Commitment of \$6,836,638.60

Newlight Project Phoenix

- Awarded \$4,185,625 grant and \$30M loan
- Contract signed November 2022
- Large-scale facility to produce AirCarbon (carbon-negative polymer) from renewable natural gas
- Remaining Grant Commitment: \$771,604.33
- FEED 97% complete

Enerplus Geothermal Power

- Awarded Grant of \$1,098,500
- Contract signed January 2024
- Replace conventional water coolers with geothermal power production skids, enhancing operational energy efficiency and sustainability
- Remaining Commitment: \$948,249.00
- Pilot Project installed on well pad.
- Results expected in early 2025.
- Final Report due July 2026.

Bushel Farm Traceability Dashboard

- Develop a grain traceability dashboard that facilitates farm data sharing.
- Awarded Grant of \$3.5M
- Contract signed November 2023
- Remaining Commitment: \$3,415,090.12
- Progress towards software development.
- Final Report due December 2026.

Wellspring Hydro

Produced Water 2

- Continued project to use produced water to manufacture commercial products
- Awarded \$5M grant and \$2.5M loan
- Contract signed September 2023.
- Remaining Grant Commitment: \$4,862,898.40
- Progress toward Front-End Loading Stage 3
- Final Report due December 2025.

Scranton Metals

Green Pig Iron

- Awarded Grant of \$7M
- Contract signed February 2024
- Aiming to create near-carbon-neutral iron production facility
- Remaining Commitment:
\$5,959,594.99
- Mineral Testing 85% complete;
Regulatory Tasks 50% complete
- Final Report due October 2025

EERC Marathon Renewable Fuels

- Awarded \$3.3M grant in Jan. 2024
- Proposed to expand the Dickinson Renewable Fuel Facility and add aviation fuel
- Project sponsor pulled out due to market challenges
- Decommitted Award

Dakota Lithium Lithium Battery Manu- facturing

- Awarded Grant of \$2M
- Contract signed February 2024
- Looking to produce lithium iron phosphate cathode materials using a novel dry-process technology.
- Remaining Commitment: \$1,828,646.17
- Secured manufacturing facility and equipment; initial material testing favorable
- Final Report due May 2027

Cerilon

GTL FEL-3

- Awarded \$9.5M grant and \$8M loan
- Contract signed September 2024.
- Continuing project into Front-end Loading 3 phase.
- Remaining Grant Commitment: \$9.5M
- Final Report due July 2026.

Benefit/ROI to ND

Needs of the State:

- Use excess natural gas; create value-added opportunities in ND
- Enhanced Oil Recovery through CCUS
- Lignite industry being proactive through Carbon Capture projects, etc.
- Electrical power generation – natural gas baseload power
- Create value from waste products (produced water, CO₂)

CSEA is helping to accelerate all these things.

Questions?



Combined-cycle natural gas generators in Florida (photo by Claire Vigesaa).



Testimony in Support of
SB 2188
House Energy and Natural Resources
March 13, 2025

TESTIMONY OF

Reice Haase, Director, Department of Water Resources

Chairman Porter, and members of the House Energy and Natural Resources Committee, I am Reice Haase, the Director of the Department of Water Resources. I'm here today to provide testimony in support of Re-engrossed Senate Bill 2188.

This bill adds the Department of Water Resources Director, or designee, as a technical advisor to the Clean Sustainable Energy Authority.

The Clean Sustainable Energy Authority plays a critical role in advancing research, development, and technological innovations to support large-scale energy projects. By fostering partnerships and providing financial support, the Authority promotes projects, processes, and technologies that reduce environmental impacts and enhance the sustainability of energy production and delivery.

Water is a critical resource in many energy projects, whether for cooling, processing, or other operational needs. Adding the Department of Water Resources as a technical advisor would bring valuable expertise on water availability, management, and sustainability, helping the Authority make well-informed decisions.

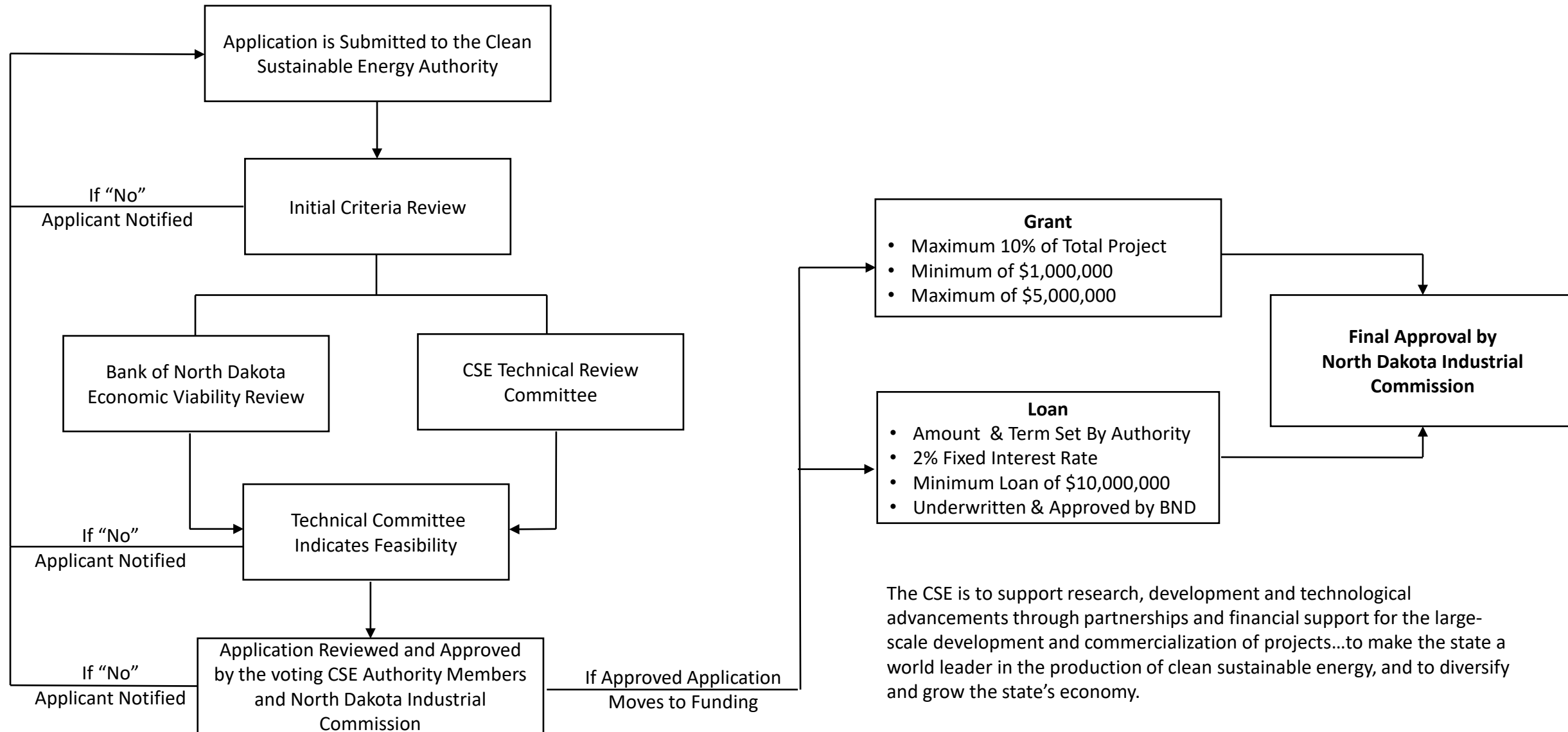
Thank you for your time and the chance to testify. I'm happy to answer any questions you might have.

Bank of North Dakota CSEA Update

January 10, 2025



CSE Process Flow For Project Review and Approval



Clean Sustainable Energy Authority Loan Funding Structure

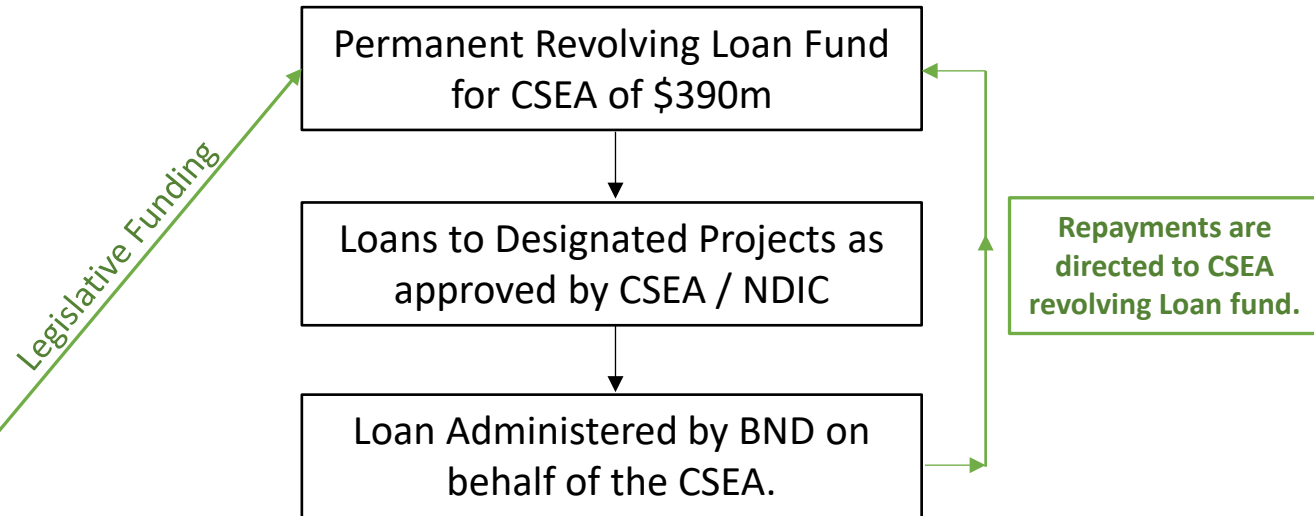
BND Funding

Legislature Funding & Repayment of CSEA

- The Legislature established the CSEA program and provided for a loan option administered by BND. By statute, the loans provide a fixed Interest Rate of 2% with a term determined by BND.
- As established, the Legislature is committed to repaying the Line of Credit to BND.
- The statute established a \$250m revolving loan fund that was increased to \$390M in the 2023 session.
- As opposed to cash, the legislature chose to utilize a line of credit from BND for initial funding. The CSEA revolving loan fund draws on the line of credit from BND when a borrower draws on the loan.

2021 Legislature
Created CSEA in
54-63.1

Revolving Loan Fund Structure



- The CSEA Revolving Loan Fund replicates the structure of the IRLF and School Construction.
- The Legislature provides initial funding and then repayment of loans provides for the "revolving" component of the fund.
- In this instance, instead of cash into the fund the Legislature used a BND line to provide initial funding which is now repaid with cash.

CSEA Balance Sheet

<u>Clean Sustainable Energy Authority</u>	
Cash Balance	3,340,458
Line of Credit Available	373,530,000
Available Funds	376,870,458
Loans Outstanding	44,547,882
In Construction Commitments	40,112,883
Approved Commitments	333,500,000
Pending Applications	-
Current Available	3,257,574
2023 - 2025 Remaining Repayments	2,202,093
Available for New Loans as of 6/30/2025	5,459,668
2025 - 2027 Repayments	15,309,068
Available for New Loans as of 6/30/2027	20,768,736

Note: CSEA Line of Credit Needs Renewed. Did 4-year line previously.

Sustain. Transform. Authenticate. North Dakota.

North Dakota's competitive advantage in a carbon-managed world.



Sustain.

Commit to preserving natural resources and enhancing resilience through responsible practices, environmental stewardship, and collaboration for long-term economic health.



Transform.

Evolve from past frameworks by integrating transformative strategies, rethinking existing processes and embracing sustainable, efficient and adaptive models.



Authenticate.

Advance transparency and accountability by implementing clear methodologies, verifying data and upholding ethical governance standards to build trust and credibility.

Telling North Dakota's Story

VIDEO: Valence Natural Gas Solutions Transforms Natural Gas Capture in the North Dakota Bakken

 standndgov on November 21, 2024



https://www.youtube.com/watch?v=1ry_LqhVToU&list=PLOnRHvzISVv2NaB3vcJT7ViMg0L-3h-Zv&index=4

Questions

SECTION 3. AMENDMENT. Section 54-63.1-07 is amended and reenacted as follows:

54-63.1-07. Clean sustainable energy fund – Continuing appropriation – Line of credit – Loans – Repayments.

1. There is created in the state treasury the clean sustainable energy fund. The fund consists of all moneys transferred to the fund by the legislative assembly; loan proceeds; interest upon moneys in the fund; principal and interest payments to the fund; and donations, grants, and other contributions received by the commission for deposit in the fund. All moneys in the fund are appropriated to the commission on a continuing basis to provide grants, loans, and other financial assistance and for administrative and operating costs of the authority and program pursuant to the provisions under this chapter.
2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees. The Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.
3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed three hundred ninety million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on ~~June 30, 2025~~ June 30, 2029, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.
4. The industrial commission may access the line of credit to the extent needed through ~~June 30, 2025~~ June 30, 2029, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund. Any moneys borrowed from the Bank of North Dakota pursuant to this section must be transferred to the clean sustainable energy fund to support loans or loan guarantees.

2025 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

SB 2188

3/13/2025

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.

9:42 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.

9:43 a.m. Representative M. Ruby proposed changing the amount of money 15 million to 30 million in grants and 40 million to 100 million in the line of credit.

9:44 a.m. Representative J. Olson seconded the motion.

Voice Vote: Motion Failed

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

Motion carried: 11-1-1

9:45 a.m. Representative J. Olson moved a Do Pass as amended and rereferred to the Appropriations Committee.

9:45 a.m. Representative Foss seconded the motion.

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

Motion carried: 11-1-1

Bill carrier: Representative Olson

9:46 a.m. Chairman Porter closed the hearing.

Leah Kuball, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

REENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

- 1 A BILL for an Act to amend and reenact ~~section~~sections 54-63.1-03 and 54-63.1-07 of the North
2 Dakota Century Code, relating to the membership of the clean sustainable energy authority and
3 the clean sustainable energy fund line of credit; and to provide a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 54-63.1-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-63.1-03. Clean sustainable energy authority - Membership - Meetings.**

- 8 1. The clean sustainable energy authority consists of ~~seventeen~~eighteen members,
9 including nine voting members and ~~eight~~nine nonvoting technical advisors.
- 10 2. The nine voting members consist of:
- 11 a. Two members, one from the senate and one from the house of representatives,
12 appointed by the legislative management to serve as co-chairmen;
- 13 b. Two members appointed by the lignite research council;
- 14 c. Two members appointed by the oil and gas research council;
- 15 d. Two members appointed by the renewable energy council; and
- 16 e. One member appointed by the western Dakota energy association.
- 17 3. The ~~eight~~nine nonvoting technical advisors consist of:
- 18 a. One member appointed by the North Dakota outdoor heritage fund advisory
19 board;
- 20 b. The commissioner of commerce or the commissioner's designee;

- 1 c. The director of the department of environmental quality or the director's designee;
 - 2 d. The director of the department of water resources or director's designee;
 - 3 e. The director of mineral resources or the director's designee;
 - 4 e.f. The director of the North Dakota pipeline authority or the director's designee;
 - 5 f.g. The director of the North Dakota transmission authority or the director's designee;
 - 6 g.h. The director of the state energy research center or the director's designee; and
 - 7 h.i. The president of the Bank of North Dakota or the president's designee.
- 8 4. The term of office for each co-chairman is two years. The term of office for the other
 - 9 voting members is four years, and the other voting members may not serve more than
 - 10 two consecutive terms. The terms of office for the voting members commence on July
 - 11 first. The initial terms for the voting members of the authority must be staggered
 - 12 following a method determined by the authority.
 - 13 5. The authority shall meet at least semiannually. The co-chairmen shall call a meeting
 - 14 upon written request from three voting members of the authority. Five voting members
 - 15 is a quorum at any meeting.
 - 16 6. The authority may not forward a recommendation to the commission unless the
 - 17 recommendation fulfills the purposes of this chapter and is approved by a majority of
 - 18 the voting members of the authority.

19 **SECTION 2. AMENDMENT.** Section 54-63.1-07 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-63.1-07. Clean sustainable energy fund - Continuing appropriation - Line of credit -**
22 **Loans - Repayments.**

- 23 1. There is created in the state treasury the clean sustainable energy fund. The fund
- 24 consists of all moneys transferred to the fund by the legislative assembly; loan
- 25 proceeds; interest upon moneys in the fund; principal and interest payments to the
- 26 fund; and donations, grants, and other contributions received by the commission for
- 27 deposit in the fund. All moneys in the fund are appropriated to the commission on a
- 28 continuing basis to provide grants, loans, and other financial assistance and for
- 29 administrative and operating costs of the authority and program pursuant to the
- 30 provisions under this chapter.

- 1 2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees.
2 The Bank of North Dakota shall deposit in the fund all principal and interest paid on
3 the loans made from the fund. The Bank may use a portion of the interest paid on the
4 outstanding loans as a servicing fee to pay for administrative costs, not to exceed
5 one-half of one percent of the amount of the interest payment. The fund must be
6 audited annually pursuant to section 6-09-29, and the cost of the audit must be paid
7 from the fund.
- 8 3. The Bank of North Dakota shall extend a line of credit to the industrial commission to
9 support loans or loan guarantees issued from the clean sustainable energy fund. The
10 line of credit may not exceed three hundred ninety million dollars, and the interest rate
11 associated with the line of credit must be the prevailing interest rate charged to North
12 Dakota governmental entities. The industrial commission shall repay the line of credit
13 from moneys available in the clean sustainable energy fund derived from payments
14 received on loans issued under this chapter or other sources. If the moneys available
15 from the clean sustainable energy fund on June 30, ~~2025~~2029, are not sufficient to
16 repay the line of credit, the industrial commission shall request from the legislative
17 assembly a deficiency appropriation to repay the line of credit or the industrial
18 commission may repay the line of credit from other funds, as appropriated by the
19 legislative assembly.
- 20 4. The industrial commission may access the line of credit to the extent needed through
21 June 30, ~~2025~~2029, to provide funding as authorized by the legislative assembly to
22 support loans or loan guarantees issued from the clean sustainable energy fund. Any
23 moneys borrowed from the Bank of North Dakota pursuant to this section must be
24 transferred to the clean sustainable energy fund to support loans or loan guarantees.

25 **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
26 **CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS.** During the biennium beginning
27 July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the
28 sum of ~~\$55,000,000~~\$130,000,000 from the strategic investment and improvements fund to the
29 clean sustainable energy fund, as follows:

- 30 1. ~~\$15,000,000~~\$30,000,000 for grants; and
- 31 2. ~~\$40,000,000~~\$100,000,000 to repay a line of credit and to provide funding for loans.

**REPORT OF STANDING COMMITTEE
REENGROSSED SB 2188**

Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS** ([25.0563.03001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 1 NAY, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2188 was placed on the Sixth order on the calendar.

2025 HOUSE APPROPRIATIONS

SB 2188

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2188
3/24/2025

A BILL for an Act to amend and reenact sections 54-63.1-03 and 54-63.1-07 of the North Dakota Century Code, relating to the membership of the clean sustainable energy authority and the clean sustainable energy fund line of credit; and to provide a transfer.

10:35 a.m. Chairman Vigesaa opened the meeting.

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

Members absent: Representative Mitskog

Discussion Topics:

- ND Firefighters Association
- Option to Purchase Provision

10:36 a.m. Representative Porter introduced the bill and answered questions.

10:41 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2188
4/11/2025

A BILL for an Act to amend and reenact sections 54-63.1-03 and 54-63.1-07 of the North Dakota Century Code, relating to the membership of the clean sustainable energy authority and the clean sustainable energy fund line of credit; and to provide a transfer.

9:20 a.m. Chairman Vigesaa opened the meeting.

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

Member absent: Representative Mitskog

Discussion Topics:

- Committee Action

9:23 a.m. Representative Kempenich made a motion to Amend Section 3 Line 1 to 15 million and Line 2 to 40 million which will change it back to the Senate version.

9:25 a.m. Representative Stemen seconded the motion.

9:26 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
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	AB
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
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

9:26 a.m. Motion passed 22-0-1.

9:27 a.m. Representative Stemen moved Do Pass as Amended.

9:27 a.m. Representative O'Brien seconded the motion.

9:27 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
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	AB
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
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

9:27 a.m. Motion passed 22-0-1.

9:27 a.m. Representative Kempenich will carry the bill.

9:29 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

VG 4/11/25
1 of 3

REENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

In place of amendments (25.0563.03001) adopted by the House, Engrossed Senate Bill No. 2188 is amended by amendment (25.0563.03002) as follows:

- 1 A BILL for an Act to amend and reenact ~~section~~sections 54-63.1-03 and 54-63.1-07 of the North
2 Dakota Century Code, relating to the membership of the clean sustainable energy authority and
3 the clean sustainable energy fund line of credit; and to provide for a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 54-63.1-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-63.1-03. Clean sustainable energy authority - Membership - Meetings.**

- 8 1. The clean sustainable energy authority consists of ~~seventeen~~eighteen members,
9 including nine voting members and ~~eight~~nine nonvoting technical advisors.
- 10 2. The nine voting members consist of:
- 11 a. Two members, one from the senate and one from the house of representatives,
12 appointed by the legislative management to serve as co-chairmen;
- 13 b. Two members appointed by the lignite research council;
- 14 c. Two members appointed by the oil and gas research council;
- 15 d. Two members appointed by the renewable energy council; and
- 16 e. One member appointed by the western Dakota energy association.
- 17 3. The ~~eight~~nine nonvoting technical advisors consist of:
- 18 a. One member appointed by the North Dakota outdoor heritage fund advisory
19 board;

- 1 b. The commissioner of commerce or the commissioner's designee;
- 2 c. The director of the department of environmental quality or the director's designee;
- 3 d. The director of the department of water resources or director's designee;
- 4 e. The director of mineral resources or the director's designee;
- 5 ~~e-f.~~ The director of the North Dakota pipeline authority or the director's designee;
- 6 ~~f-g.~~ The director of the North Dakota transmission authority or the director's designee;
- 7 ~~g-h.~~ The director of the state energy research center or the director's designee; and
- 8 ~~h-i.~~ The president of the Bank of North Dakota or the president's designee.
- 9 4. The term of office for each co-chairman is two years. The term of office for the other
- 10 voting members is four years, and the other voting members may not serve more than
- 11 two consecutive terms. The terms of office for the voting members commence on July
- 12 first. The initial terms for the voting members of the authority must be staggered
- 13 following a method determined by the authority.
- 14 5. The authority shall meet at least semiannually. The co-chairmen shall call a meeting
- 15 upon written request from three voting members of the authority. Five voting members
- 16 is a quorum at any meeting.
- 17 6. The authority may not forward a recommendation to the commission unless the
- 18 recommendation fulfills the purposes of this chapter and is approved by a majority of
- 19 the voting members of the authority.

20 **SECTION 2. AMENDMENT.** Section 54-63.1-07 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **54-63.1-07. Clean sustainable energy fund - Continuing appropriation - Line of credit -**
23 **Loans - Repayments.**

- 24 1. There is created in the state treasury the clean sustainable energy fund. The fund
- 25 consists of all moneys transferred to the fund by the legislative assembly; loan
- 26 proceeds; interest upon moneys in the fund; principal and interest payments to the
- 27 fund; and donations, grants, and other contributions received by the commission for
- 28 deposit in the fund. All moneys in the fund are appropriated to the commission on a
- 29 continuing basis to provide grants, loans, and other financial assistance and for
- 30 administrative and operating costs of the authority and program pursuant to the
- 31 provisions under this chapter.

2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees. The Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.
3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed three hundred ninety million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on June 30, ~~2025~~2029, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.
4. The industrial commission may access the line of credit to the extent needed through June 30, ~~2025~~2029, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund. Any moneys borrowed from the Bank of North Dakota pursuant to this section must be transferred to the clean sustainable energy fund to support loans or loan guarantees.

SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS. During the biennium beginning July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the sum of \$55,000,000 from the strategic investment and improvements fund to the clean sustainable energy fund, as follows:

1. \$15,000,000 for grants; and
2. \$40,000,000 to repay a line of credit and to provide funding for loans.

**REPORT OF STANDING COMMITTEE
REENGROSSED AND AMENDED SB 2188**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0563.03002](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed SB 2188, as amended, was placed on the Sixth order on the calendar.

2025 CONFERENCE COMMITTEE

SB 2188

2025 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2188
4/25/2025
Conference Committee

Relating to the membership of the clean sustainable energy authority; and to provide a transfer.
--

3:31 p.m. Chairman Patten opened the meeting.

Members present:

Chairman Patten, Senators: Kessel and Beard and Representatives: Bosch, Olson, and Johnson.

Discussion Topics:

- Grant funding amounts
- Loan funding amounts

3:33 p.m. Chairman Patten introduced proposed amendment LC# 25.0563.03003 and submitted testimony #45199.

3:34 p.m. Representative Bosch moved amendment LC# 25.0563.03003 in place of House amendments LC# 25.0563.03001.

3:35 p.m. Representative Olson seconded.

3:35 p.m. Roll Call Vote - Motion Passed 6-0-0.

3:35 p.m. Chairman Patten will carry the bill.

3:35 p.m. Representative Bosch will carry the bill.

3:37 p.m. Chairman Patten adjourned the meeting.

Kendra McCann, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

VC 4/25/25
1 of 3

REENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

In place of amendment (25.0563.03002) adopted by the House, Reengrossed Senate Bill No. 2188 is amended by amendment (25.0563.03003) as follows:

1 A BILL for an Act to amend and reenact ~~section~~sections 54-63.1-03 and 54-63.1-07 of the North
2 Dakota Century Code, relating to the membership of the clean sustainable energy authority and
3 the clean sustainable energy fund line of credit; and to provide for a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 54-63.1-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-63.1-03. Clean sustainable energy authority - Membership - Meetings.**

- 8 1. The clean sustainable energy authority consists of ~~seventeen~~eighteen members,
9 including nine voting members and ~~eight~~nine nonvoting technical advisors.
- 10 2. The nine voting members consist of:
- 11 a. Two members, one from the senate and one from the house of representatives,
12 appointed by the legislative management to serve as co-chairmen;
- 13 b. Two members appointed by the lignite research council;
- 14 c. Two members appointed by the oil and gas research council;
- 15 d. Two members appointed by the renewable energy council; and
- 16 e. One member appointed by the western Dakota energy association.
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- 20 b. The commissioner of commerce or the commissioner's designee;

- 1 c. The director of the department of environmental quality or the director's designee;
- 2 d. The director of the department of water resources or the director's designee;
- 3 e. The director of mineral resources or the director's designee;
- 4 e-f. The director of the North Dakota pipeline authority or the director's designee;
- 5 f-g. The director of the North Dakota transmission authority or the director's designee;
- 6 g-h. The director of the state energy research center or the director's designee; and
- 7 h-i. The president of the Bank of North Dakota or the president's designee.
- 8 4. The term of office for each co-chairman is two years. The term of office for the other
- 9 voting members is four years, and the other voting members may not serve more than
- 10 two consecutive terms. The terms of office for the voting members commence on July
- 11 first. The initial terms for the voting members of the authority must be staggered
- 12 following a method determined by the authority.
- 13 5. The authority shall meet at least semiannually. The co-chairmen shall call a meeting
- 14 upon written request from three voting members of the authority. Five voting members
- 15 is a quorum at any meeting.
- 16 6. The authority may not forward a recommendation to the commission unless the
- 17 recommendation fulfills the purposes of this chapter and is approved by a majority of
- 18 the voting members of the authority.

19 **SECTION 2. AMENDMENT.** Section 54-63.1-07 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-63.1-07. Clean sustainable energy fund - Continuing appropriation - Line of credit -**
22 **Loans - Repayments.**

- 23 1. There is created in the state treasury the clean sustainable energy fund. The fund
- 24 consists of all moneys transferred to the fund by the legislative assembly; loan
- 25 proceeds; interest upon moneys in the fund; principal and interest payments to the
- 26 fund; and donations, grants, and other contributions received by the commission for
- 27 deposit in the fund. All moneys in the fund are appropriated to the commission on a
- 28 continuing basis to provide grants, loans, and other financial assistance and for
- 29 administrative and operating costs of the authority and program pursuant to the
- 30 provisions under this chapter.

2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees. The Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.
3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed three hundred ninety million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on June 30, ~~2025~~2029, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.
4. The industrial commission may access the line of credit to the extent needed through June 30, ~~2025~~2029, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund. Any moneys borrowed from the Bank of North Dakota pursuant to this section must be transferred to the clean sustainable energy fund to support loans or loan guarantees.

SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS. During the biennium beginning July 1, 2025, and ending June 30, 2027, the office of management and budget shall transfer the sum of ~~\$55,000,000~~\$50,000,000 from the strategic investment and improvements fund to the clean sustainable energy fund, as follows:

1. ~~\$15,000,000~~\$10,000,000 for grants; and
2. \$40,000,000 to repay a line of credit and to provide funding for loans.

SB 2188 042525 1536 PM Roll Call Vote

Final Recommendation

SB 2188

Date Submitted: April 25, 2025, 3:36 p.m.

Recommendation: In Place Of

Amendment LC #: 25.0563.03003

Engrossed LC #: N/A

Description:

Motioned By: Bosch, Glenn

Seconded By: Olson, Jeremy

House Carrier: Bosch, Glenn

Senate Carrier: Patten, Dale

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Patten, Dale	Yea
Sen. Kessel, Greg	Yea
Sen. Beard, Todd	Yea
Rep. Bosch, Glenn	Yea
Rep. Olson, Jeremy	Yea
Rep. Johnson, Jorin	Yea

Insert LC: 25.0563.03003
Senate Carrier: Patten
House Carrier: Bosch

**REPORT OF CONFERENCE COMMITTEE
REENGROSSED SB 2188**

Your conference committee (Sens. Patten, Kessel, Beard and Reps. Bosch, J. Olson, J. Johnson) recommends that in place of amendment [25.0563.03001](#) adopted by the House, Reengrossed SB 2188 is amended by amendment [25.0563.03003](#).

Reengrossed SB 2188 was placed on the Seventh order of business on the calendar.

25.0563.03003
Title.

Prepared by the Legislative Council
staff for Senator Patten
April 25, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED SENATE BILL NO. 2188

Introduced by

Senators Patten, Kessel, Sickler

Representatives Bosch, Novak, Porter

In place of amendment (25.0563.03001) adopted by the House, Engrossed Senate Bill No. 2188 is amended by amendment (25.0563.03003) as follows:

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