

2025 SENATE ENERGY AND NATURAL RESOURCES

SB 2359

2025 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2359
2/6/2025

Relating to qualifications for renewable electricity and recycled energy credits and public reporting requirement.

2:30 p.m. Chairman Patten opened the hearing.

Members present: Chairman Patten, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting. Vice Chairmen Kessel absent.

Discussion Topics:

- Rates for projects
- Consumer protection
- Cost distribution
- Emergency clause
- Infrastructure development
- Hydro-electric facilities

2:31 p.m. Senator Patten, District 26, introduced the bill.

2:32 p.m. Randy Christmann, Chair of ND Public Service Commission, testified in favor and submitted testimony #35929.

2:48 p.m. Chairman Patten closed the hearing.

2:49 p.m. Senator Gerhardt moved amendment LC# 25.1343.01001.

2:49 p.m. Senator Enget seconded.

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

Motion Passed 6-0-1.

2:50 p.m. Senator Enget moved as do pass as amended.

2:50 p.m. Senator Boehm seconded the motion.

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

Motion Passed 6-0-1.

Senator Boehm will carry the bill.

Additional written testimony:

Cara Artman submitted testimony in favor #33346.

2:51 p.m. Chairman Patten closed the hearing.

Kendra McCann, Committee Clerk

RS 2/6/25
1 of 2

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2359

Introduced by

Senators Patten, Kessel, Boehm

Representatives Novak, Porter

1 A BILL for an Act to amend and reenact ~~sections~~section 49-02-26 ~~and 49-02-34~~ of the North
2 Dakota Century Code, relating to qualifications for renewable electricity and recycled energy
3 credits ~~and public reporting requirement~~; and to repeal sections 49-02-28, 49-02-29, 49-02-30,
4 49-02-31, 49-02-32, ~~and 49-02-33~~, and 49-02-34 of the North Dakota Century Code, relating to
5 the state renewable and recycled energy objectives, public reporting, qualifications and
6 applications to the statewide objectives, the purchase and retirement of renewable energy
7 certificates to meet the objectives, verification of generation and the purchase of certificates,
8 and economic evaluations on the use of renewable and recycled energy.

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

10 **SECTION 1. AMENDMENT.** Section 49-02-26 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **49-02-26. Qualifying for renewable electricity and recycled energy credits –Exception**
13 **for certain hydroelectric facilities.**

14 ~~Except as otherwise provided in this section, for~~For purposes of qualifying for renewable
15 electricity and recycled energy credits, electricity must be generated from a source identified in
16 section 49-02-25. ~~For electricity generated from hydroelectric facilities, the hydroelectric facility~~
17 ~~must have an inservice date of January 1, 2007, or later, or be new hydroelectric generation~~
18 ~~obtained from repowering or efficiency improvements to hydroelectric facilities existing on~~
19 ~~August 1, 2007.~~

1 ~~SECTION 2. AMENDMENT.~~ Section 49-02-34 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 ~~49-02-34. Public reporting on progress toward meeting the renewable energy and~~
4 ~~recycled energy objective.~~

5 ~~Commencing on June 30, 2009, retail providers shall report annually on the provider's~~
6 ~~previous calendar year's energy sales. This report must include information regarding qualifying~~
7 ~~electricity delivered and renewable energy and recycled energy certificates purchased and~~
8 ~~retired as a percentage of annual retail sales and a brief narrative report that describes steps~~
9 ~~taken to meet the objective over time and identifies any challenges or barriers encountered in~~
10 ~~meeting the objective. Retail providers shall report annually to the public service commission,~~
11 ~~which regarding the provider's previous calendar year energy sales. The commission shall~~
12 ~~make data and narrative reports publicly available and accessible electronically on the internet.~~
13 ~~Distribution cooperatives may aggregate their reporting through generation and transmission~~
14 ~~cooperatives and municipal utilities may aggregate their reporting through a municipal power~~
15 ~~agency.~~

16 **SECTION 2. REPEAL.** Sections 49-02-28, 49-02-29, 49-02-30, 49-02-31, 49-02-32, and
17 49-02-33, and 49-02-34 of the North Dakota Century Code are repealed.

**REPORT OF STANDING COMMITTEE
SB 2359**

Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **AMENDMENTS (25.1343.01001)** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2359 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

I support SB 2359

We must do everything we can to prepare for the future and get in on the ground floor of new energy solutions.

Not doing so will only cost everyone in the future, with our lives and with our dollars.

Senate Bill 2359

Presented by: Randy Christmann, Chair
Public Service Commission

Before: Senate Energy and Natural Resources Committee
The Honorable Dale Patten, Chair

Date: February 6, 2025

TESTIMONY

Chair Patten and committee members, I'm Randy Christmann, Chairman of the Public Service Commission, here to testify in support of SB 2359.

North Dakota's renewable energy objective was adopted in 2007. At that time many of us viewed it as an opportunity to market more electricity generated here in the state to other states that had concerns about fossil fuels.

The objective was set for 10% by the year 2015. It was viewed as a reasonable objective that, if achieved, would likely be good for consumers and good for ND industries and we anticipated limited adverse impacts.

Mission accomplished! North Dakota quickly met and exceeded our objective. There is no longer any need for this objective in the Century Code.

Since then, our utilities have delegated operational control of the grid to two regional transmission organizations (RTOs): MISO & SPP. These RTOs are responsible for planning and directing expansions and upgrades to the grid, which they finance by adding fees to the price of wholesale electricity. Recently, we've seen an unprecedented buildout of transmission nationwide. Infrastructure development, whether it is needed or not, has exploded, and much more is on the way. This expansion comes with a significant price tag.

For our regulated utilities, transmission costs for ratepayers have more than doubled in the past decade, and with MISO implementing tens of billions of dollars in new transmission projects, these costs are expected to rise even more dramatically.

Both RTOs are putting together enormous packages of transmission projects, with most, if not all of the costs passed on to consumers. Traditional regulatory principals indicate that transmission fees must be "just and reasonable" and that rates must not be unduly discriminatory, meaning the costs should roughly match the benefits a utility or customer gains from using the grid. In theory, the rates should be fairly allocated based on who causes the costs and who benefits from the infrastructure. But instead of assigning costs appropriately,

the RTOs are bringing gigantic packages of projects forward and allocating the costs to everyone.

An example of this is MISO's development plan being brought forward in "tranches." Tranche 1 includes 18 projects totaling \$10.3 Billion. The cost to the average North Dakota residential Otter Tail Power (OTP) customer, for example, is projected to be \$5.75 per month. MISO also recently approved another \$30 billion of transmission projects, most of which are contained in their second tranche. I certainly acknowledge that some parts of these huge tranches of projects should justifiably be paid for by our consumers, but I also argue that much of it should be paid for by those who are desiring and benefiting from the projects. For now, MISO is planning four tranches of projects, with the next ones projected to cost far more than the first one.

Shockingly, ND's renewable energy objective is being used as justification for assignment of these costs to North Dakota customers. Courts have actually cited North Dakota's renewable energy objective as a justification for accepting tariffs that socialize high-voltage transmission costs. This is helping other states meet their

decarbonization goals and mandates, while pushing costs off on North Dakota customers.

To be clear, the Commission is not opposed to transmission expansion – particularly when it enhances grid reliability, stability, or provides clear economic benefits to our customers. However, we strongly oppose forcing North Dakota ratepayers to cover the costs of transmission projects driven by other states' renewable energy mandates and corporate decarbonization goals.

SB 2359 removes North Dakota's aspirational and long since exceeded renewable objective, which has been used in court to justify these horribly inequitable cost shifts. This would put the Commission in a stronger position to push back against unfair cost allocations and help support the position that North Dakota customers should not foot the bill for other states' policy-driven transmission projects.

The message we should be sending is clear: North Dakota values reliable, affordable, and on-demand energy for its customers. That's why I urge a DO PASS on SB 2359.

Chair Patten, that concludes my testimony. Thank you for your time—I'm happy to answer any questions.

2025 HOUSE ENERGY AND NATURAL RESOURCES

SB 2359

2025 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

SB 2359

3/20/2025

Relating to qualifications for renewable electricity and recycled energy credits; and to repeal sections 49-02-28, 49-02-29, 49-02-30, 49-02-31, 49-02-32, 49-02-33, and 49-02-34 of the North Dakota Century Code

10:51 a.m. Chairman Porter opened the hearing.

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

Discussion Topics:

- Hydroelectric credits
- North Dakota regulated utilities
- Rising transmission costs

10:52 a.m. Senator Dale Patten, North Dakota Senator for District 26, introduced the bill.

10:53 a.m. Randy Christmann, Chair of the Public Service Commission, testified in favor and provided testimony #43098.

11:07 a.m. Todd Kranda, Lobbyist for Missouri River Energy Services, testified in favor.

11:08 a.m. Chairman Porter closed the hearing.

Wyatt Armstrong for Leah Kuball, Committee Clerk

Senate Bill 2359

**Presented by: Randy Christmann, Chair
Public Service Commission**

**Before: House Energy and Natural Resources Committee
The Honorable Todd Porter, Chair**

Date: March 20, 2025

TESTIMONY

Chair Porter and committee members, I'm Randy Christmann, Chairman of the Public Service Commission, here to testify in support of SB 2359.

North Dakota's renewable energy objective was adopted in 2007. At that time many of us viewed it as an opportunity to market more electricity generated here in the state to other states that had concerns about fossil fuels.

The objective was set for 10% by the year 2015. It was viewed as a reasonable objective that, if achieved, would likely be good for consumers and good for ND industries and we anticipated limited adverse impacts.

Mission accomplished! North Dakota quickly met and exceeded our objective. There is no longer any need for this objective in the Century Code.

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For our regulated utilities, transmission costs for ratepayers have more than doubled in the past decade, and with MISO and SPP implementing tens of billions of dollars in new transmission projects, these costs are expected to rise even more dramatically.

Both RTOs are putting together enormous packages of transmission projects, with most, if not all of the costs, passed on to consumers. Traditional regulatory principals indicate that transmission fees must be "just and reasonable" and that rates must not be unduly discriminatory, meaning the costs should roughly match the benefits a utility or customer gains from using the grid. In theory, the rates should

be fairly allocated based on who causes the costs and who benefits from the infrastructure. But instead of assigning costs to the developer (cost causer) or states with renewable goals (beneficiary), the RTOs are bringing gigantic packages of projects forward and allocating the costs to everyone.

An example of this is MISO's development plan being brought forward in "tranches." Tranche 1 includes 18 projects totaling \$10.3 billion. I certainly acknowledge that some parts of these huge tranches of projects should justifiably be paid for by our consumers, but I also argue that much of it should be paid for by those who are desiring and benefiting from the projects. For now, MISO is planning four tranches of projects, with the next ones projected to cost far more than the first one.

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Chair Porter, that concludes my testimony. Thank you for your time – I’m happy to answer any questions.

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Energy and Natural Resources Committee

Coteau AB Room, State Capitol

SB 2359

3/20/2025

Relating to qualifications for renewable electricity and recycled energy credits; and to repeal sections 49-02-28, 49-02-29, 49-02-30, 49-02-31, 49-02-32, 49-02-33, and 49-02-34 of the North Dakota Century Code

4:14 p.m. Chairman Porter opened the hearing.

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

Discussion Topics:

- Committee action

4:15 p.m. Representative J. Olson moved a Do Pass.

4:15 p.m. Representative Headland seconded the motion.

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

4:16 p.m. Motion passed 11-2-0

4:16 p.m. Representative J. Olson will carry the bill.

4:16 p.m. Chairman Porter closed the hearing.

Wyatt Armstrong for Leah Kuball, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2359 ([25.1343.02000](#))**

Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2359 was placed on the Fourteenth order on the calendar.