ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

The Energy Development and Transmission Committee was created in 2007 and was made permanent in 2011. Under North Dakota Century Code Section 54-35-18, the committee is directed to study the impact of a comprehensive energy policy for the state and the development of each facet of the energy industry, from the obtaining of raw natural resources to the sale of the final product in this state, other states, and other countries. The study requires the committee to develop a comprehensive statewide energy policy that supports the long-term development of energy opportunities in the state and seeks solutions to challenges arising during the development of energy opportunities. The study also requires the committee to engage industry stakeholders to develop a regulatory environment that allows for responsible growth while resolving conflicts and developing synergy between energy and agriculture programs. The study may include reviewing and recommending policies related to the extraction, generation, processing, transmission, transportation, marketing, distribution, and use of energy.

In addition to its statutory study responsibilities, the committee was assigned two studies:

- Section 1 of Senate Bill 2360 (2025) directed a study of the feasibility of developing geothermal energy in the state. The study required an evaluation of the state's geology and the feasibility of resource exploration and production of geothermal energy in the state; support opportunities for startup geothermal companies, including fostering innovation and promoting economic growth within the state's energy sector; the application of geothermal energy to nonproductive oil and gas wells to extend the life of the well through the use of a complementary energy extraction method; and other opportunities to advance geothermal energy opportunities in the state.
- Section 1 of House Bill 1579 (2025) directed a study of the impact of large energy consumers, including data centers, on the electrical grid of the state, regulatory structure, and economic development. The study required an evaluation of the electrical grid reliability and infrastructure requirements within the state, including the capacity of the electrical grid; necessary upgrades to accommodate large energy consumers; the cost of necessary upgrades to accommodate large energy consumers; how the cost of necessary upgrades are allocated; effects of congestion on the electrical grid caused by increased development; best practices for integrating high-demand users while maintaining reliability for all ratepayers; regulatory consistency throughout the state, including an assessment of the manner in which state and local laws and regulations impact large energy consumers; whether the certificate of public convenience and necessity process is appropriate for private-sector end users; whether regulatory inconsistencies exist between investor-owned utilities, rural electric cooperatives, municipal power providers, and independent power producers; economic impacts affecting the energy industry of the state, including an assessment of job creation, tax revenue generation, and long-term investment trends tied to data center development and other large energy consumers; market dynamics of the local and national energy industry, including the role of demand-side management, local versus regional energy market participation, and the ability of large consumers to support grid stability through off-peak consumption or other grid-supportive practices; costs and impacts of all regulated and exempted public utilities, including best reporting practices; and regulatory and exemption criteria relating to load size, system integration, application processes, impacts to consumers and access to the regional grid systems, electrical generation sources, the feasibility of colocated backup generators at various facilities, and generation sources, including legacy electric generation units.

The Legislative Management assigned the committee the responsibility to receive 10 reports:

- A biennial report from the Clean Sustainable Energy Authority regarding the authority's activities and the financial impact on state revenue and the state's economy of the programs administered by the authority, pursuant to Section 54-63.1-04.
- At least one report from the State Energy Research Center regarding the status and results of its salt cavern underground energy storage and research project, pursuant to Section 27 of Senate Bill 2014 (2025).
- An annual report from the State Energy Research Center on all research activities and accomplishments, pursuant to Section 15-11-40.
- A report from the Agriculture Commissioner regarding the services provided under the Postproduction Royalty Oversight Program, pursuant to Section 4.1-01-26.
- A biennial written report from the North Dakota Transmission Authority on its activities, pursuant to Section 17-05-13.
- An annual written report from the North Dakota Transmission Authority on the status of the resilience of the electric grid, pursuant to Section 17-05-13.
- A biennial report from the North Dakota Pipeline Authority on its activities, pursuant to Section 54-17.7-13.

- A biennial report from the High-Level Radioactive Waste Advisory Council on its findings, pursuant to Section 38-23-08.
- A report from the Industrial Commission on whether the amount in the Carbon Dioxide Storage Facility Trust Fund and fees being paid into the fund are sufficient to satisfy the fund's objectives, pursuant to Section 38-22-15.
- Annual reports from the operator of a coal conversion facility that receives a carbon dioxide capture credit for certain coal conversion facilities regarding the facility's carbon dioxide capture project, pursuant to Section 57-60-02.1.

Committee members were Representatives Anna S. Novak (Chairman), Dick Anderson, Mike Brandenburg, Austin Foss, Pat D. Heinert, Dustin McNally, Alisa Mitskog, and Todd Porter and Senators Brad Bekkedahl, Keith Boehm, Ryan Braunberger, Mark Enget, Kathy Hogan, Greg Kessel, Kent Weston, and Desiree van Oosting.

COMPREHENSIVE AND SUSTAINABLE ENERGY POLICY STUDY

The committee is responsible for studying a comprehensive statewide energy policy, pursuant to Section 54-35-18.

Background

Section 54-35-18 directs the committee to study the impact of a comprehensive energy policy for the state and the development of each facet of the energy industry, from the obtaining of the raw natural resources to the sale of the final product in this state, other states, and other countries. The committee's duties under Section 54-35-18 were expanded by Senate Bill 2289 (2023), which required the committee to develop a comprehensive statewide energy policy that supports the long-term development of energy opportunities in the state and seek solutions for the challenges realized through the successful development of energy opportunities. The committee's study also may include the review of, and recommendations relating to, policy affecting extraction, generation, processing, transmission, transportation, marketing, distribution, and use of energy.

Clean Sustainable Energy Report

The committee received a report from the Clean Sustainable Energy Authority regarding its activities and the financial impact of the authority's loan programs on state revenues and the state's economy pursuant to Section 54-63.1-04. According to the report, the purpose of the Clean Sustainable Energy Authority is to support the research and development of large-scale projects and technologies that advance energy production and diversify the state's economy while reducing environmental impacts.

During the 2025 legislative session, no additional funding was appropriated to the Clean Sustainable Energy Fund. As of October 2026, the uncommitted balance of the fund was $10.5 million, with approximately $6.8 million in outstanding commitments and expenses. The authority has approved $81.8 million in grants and $585.5 million in loans for 20 projects, 15 of which are currently active. The 20 projects include natural gas flaring projects, synfuels production, fertilizer production, lithium-ion battery production, hydrogen production, lignite combustion production enhancements, natural gas conversion, carbon capture and sequestration, farm data sharing, lithium extraction from produced water, lithium iron phosphate cathode materials, the expansion of the Dickinson renewable fuel facility, manufacturing biodegradable carbon-negative biopolymers, and projects to evaluate the potential of using geothermal power generation on oil and gas production sites, low-carbon pig iron production, rare earth and critical mineral recovery, and advanced carbon manufacturing projects.

Testimony

Oil and Natural Gas

The committee received testimony from a representative of the North Dakota Petroleum Council regarding the status of the oil and natural gas industry and future energy development opportunities in the state. Testimony indicated statewide oil production exceeded 1.15 million barrels per day, natural gas production averaged approximately 3.6 billion cubic feet per day, and the statewide gas capture rate remained above 95 percent. The testimony contended natural gas production represents a significant opportunity for future economic growth and that continued expansion of pipeline and transportation infrastructure will be necessary to support future production and market access. The Bakken Cracking the Code 2.0 Program and multiple field-scale pilot projects are evaluating the use of produced gas and carbon dioxide for enhanced oil recovery (EOR). Carbon dioxide from industrial sources will be necessary to fully realize the EOR potential of the Bakken and support future oil production. Industry participants continue to evaluate longer lateral drilling technologies, expanded natural gas transportation capacity, carbon dioxide infrastructure, and EOR projects to support long-term energy development in the state.

The committee received testimony from a representative of Dakota Gasification Company regarding coal gasification operations, carbon dioxide management, and EOR. The Great Plains Synfuels Plant converts lignite coal into synthetic natural gas and other value-added products through a coal gasification process. The facility captures carbon dioxide for EOR and geologic sequestration and operates a 205-mile carbon dioxide pipeline that supplies carbon dioxide for EOR in Saskatchewan. Testimony indicated the company recently commissioned the Dakota Carbon Services project, which includes six Class VI permitted sequestration wells, and continues to evaluate opportunities related to carbon dioxide utilization and storage.

The committee received testimony from a representative of WBI Energy Transmission, Inc., regarding the Bakken East Pipeline Project and future natural gas infrastructure needs in the state which indicated WBI operates approximately 3,800 miles of transmission pipeline, transports about 60 percent of Bakken residue gas, and supplies approximately 70 percent of North Dakota's residential natural gas consumption. Additional takeaway capacity from the Bakken will be necessary to support continued natural gas and crude oil production, growing residential and industrial demand, future power generation, and potential data center development. The proposed project would include approximately 423 miles of natural gas pipeline connecting western and eastern North Dakota and providing interconnections with existing interstate pipeline systems. The project is intended to increase natural gas transportation capacity, expand access to natural gas for communities and industrial users, support future economic development opportunities, and accommodate projected growth in natural gas production and demand.

The committee received testimony from a representative of the Energy and Environmental Research Center (EERC) regarding EOR and opportunities to expand EOR in North Dakota. Testimony indicated EOR technologies can increase oil production, extend the productive life of existing oil fields, and support long-term development of the Bakken Formation. The testimony indicated EERC and industry partners have conducted multiple Bakken EOR pilot projects evaluating the use of produced gas and carbon dioxide to increase oil recovery. The testimony contended carbon dioxide from coal-fired power plants and other industrial sources will be necessary for broader EOR development in the Bakken. The Bakken Cracking the Code 2.0 Program includes six EOR pilot projects, carbon dioxide infrastructure studies, and policy and regulatory evaluations designed to support commercial-scale EOR deployment across the state. The testimony asserted broad deployment of carbon dioxide EOR could generate billions of dollars in additional tax revenue and support oil production for decades.

The committee received testimony from a representative of NESET Consulting Service, Inc., regarding hydraulic fracturing, the geology of the Bakken Formation, and opportunities to expand EOR in North Dakota. The testimony indicated hydraulic fracturing and horizontal drilling enabled the development of the Bakken and Three Forks Formations, which have produced more than 5 billion barrels of oil. Enhanced oil recovery could recover an additional 5 billion to 8 billion barrels of oil from the Bakken petroleum system. According to the testimony, North Dakota's geology provides significant carbon dioxide storage potential and carbon dioxide will play an important role in future EOR projects. The testimony indicated EOR projects in other regions outside the Bakken have increased oil production while permanently storing carbon dioxide in underground formations.

State Agencies

The committee received testimony from a representative of the Department of Mineral Resources regarding the regulation, production, and development of oil and natural gas resources in the state. The department regulates oil and gas exploration and production, underground injection, carbon dioxide storage, gathering pipelines, permitting, financial assurance and bonding, reclamation and remediation, and production reporting. The department also oversees carbon dioxide sequestration and EOR activities, regulates underground gathering pipeline systems, and supports the evaluation of rare earth elements and critical mineral resources. The state has approximately 20,000 producing wells and ranks as the third-largest oil-producing state in the nation.

The committee received testimony from a representative of the Department of Environmental Quality regarding air quality regulation associated with oil and natural gas development in the state. The department administers air quality permitting and compliance programs for oil and natural gas facilities and processes thousands of oil and gas facility registrations annually. The department operates a statewide air monitoring network, evaluates permit applications for new industrial facilities, and conducts inspections to ensure compliance with state and federal air quality requirements. The department reviews leak detection and repair programs, monitors emissions from oil and natural gas operations, and works with industry to reduce emissions and maintain the state's compliance with federal and state air quality standards.

Electric Reliability and Transmission

The committee received testimony from a representative of the Southwest Power Pool (SPP) regarding regional electric reliability, transmission planning, and future energy demand growth. Testimony indicated electricity demand in the region is increasing at an accelerating pace, with current projections showing a 33 to 99 percent increase in future load depending on the realization of proposed large-load projects. The testimony contended increasing demand from

data centers, electrification, and other emerging loads, combined with generator retirements, is creating resource adequacy and reliability challenges in the region. Testimony asserted significant investments in generation and transmission infrastructure will be necessary to maintain reliability and accommodate future demand growth. The testimony indicated SPP is focused on accelerating generator and load interconnections, mitigating resource adequacy risks, and advancing transmission planning processes to support future load growth and maintain reliable electric service. The state's electricity demand is projected to increase by approximately 35 percent over the next 10 years, and approximately 6.8 gigawatts of planned generation projects are in the generation interconnection queue.

The committee received testimony from a representative of the Midcontinent Independent System Operator (MISO) regarding regional transmission planning, grid reliability, and electric infrastructure development. Testimony indicated the organization continues to address increasing electricity demand driven by electrification, industrial growth, data centers, and other large energy users. The state has 27 MISO-approved transmission projects totaling approximately $648 million in investments, including the Jamestown-Ellendale project, Beulah-Mandan Rebuild, Nelson Lake Substation, Wishek Rebuild, and Montana-Dakota Utilities network and interconnection upgrades. The Midcontinent Independent System Operator's long-range transmission planning process includes major transmission expansion projects intended to enhance reliability, increase grid resiliency, and support future load growth throughout the region. The testimony contended large-load additions, extreme weather events, fuel assurance concerns, and generation retirements present ongoing reliability challenges and additional transmission infrastructure will be necessary to meet future demand and connect new energy resources.

Wind Energy

The committee received testimony from a representative of the Wind Industry of North Dakota regarding the role of wind generation in the state's energy portfolio and related energy policy developments, which indicated wind energy accounts for approximately 35.8 percent of the state's electricity production, with 4,501 megawatts of installed capacity across 52 projects located in 28 counties. According to the testimony, wind development has resulted in approximately $10 billion in capital investment, generates $26.2 million annually in state and local tax revenues, and provides approximately $28 million annually in land lease payments to landowners. The wind industry has participated in legislative discussions relating to transmission development, environmental mitigation, project siting, military compatibility, and wind turbine blade recycling. The testimony indicated regional transmission organizations and the Federal Energy Regulatory Commission play a significant role in electricity market and transmission policies, and generation projects must complete transmission interconnection studies and fund any required reliability upgrades before connecting to the electric grid.

The committee received testimony from representatives of NextEra Energy Resources regarding the siting and development process for wind energy projects in the state, which indicated successful wind energy development requires a viable wind resource, access to transmission infrastructure, secured land rights, regulatory approvals, and a creditworthy purchaser of the generated electricity. Grid interconnection is a critical component of project development and projects must demonstrate the ability to connect to and deliver power through the transmission system while maintaining reliability. Wind energy projects are subject to local, state, and federal permitting requirements, including county zoning approvals and Public Service Commission (PSC) siting reviews. The testimony indicated successful project development depends on voluntary agreements with landowners, early engagement with local communities, and access to long-term power purchase agreements with financially stable customers.

Solar Energy

The committee received testimony from a representative of Otter Tail Power Company regarding the Abercrombie Solar project. The project is a proposed 295.1-megawatt solar energy facility located in Abercrombie Township in Richland County. The project has completed several development milestones, including execution of a generator interconnection agreement, issuance of a conditional use permit, submission of a state siting application, and execution of an asset purchase agreement. The project is targeting an in-service date of October 2028 and is projected to reduce customer costs and generate approximately $23.8 million in tax revenue for state and local political subdivisions over the life of the project. The project will provide up to $82 million in lease payments to participating landowners.

Coal and Lignite Development

The committee received testimony from a representative of the PSC regarding coal mine reclamation and federal coal leasing requirements, which indicated coal mining operations in the state are subject to both federal and state regulatory requirements, including federal coal leases and state mining permits. The PSC administers the state's coal mine reclamation program and requires mine operators to maintain performance bonds sufficient to complete approved reclamation plans in the event of forfeiture. Reclamation requirements include backfilling and grading disturbed areas, replacement of subsoil and topsoil, hydrologic protection, revegetation, and restoration of the land to its approved postmining use. The testimony indicated delays in federal leasing decisions may affect coal development opportunities. The commission's authority is limited to determining the validity of federal coal leases and does not extend to evaluating the fairness of lease terms. If the federal government declines to lease federally owned coal interests, mineral owners may be unable to develop those resources or receive associated royalty revenues.

The committee received testimony from a representative of the Lignite Energy Council regarding the role of the lignite industry and future energy development opportunities in the state which indicated North Dakota is the seventh-largest coal-producing state in the nation and is home to the world's second-largest lignite deposit. According to the testimony, lignite industry contributes more than $5.5 billion in economic activity, supports approximately 12,000 direct and indirect jobs, and generates more than $100 million in annual state and local tax revenues. Testimony indicated recent federal policy changes, including a reduction in federal coal royalty rates through 2034, may encourage additional coal production from federal lands. The Industrial Commission has supported approximately 12 critical minerals research and commercialization projects. Growing electricity demand, including demand associated with data centers, critical mineral processing, and carbon capture projects, may create additional opportunities for lignite generation, carbon utilization, and economic development in coal-producing regions of the state.

The committee received testimony from a representative of BNI Coal regarding coal mining operations and future energy development opportunities in Oliver County. Forecasted growth in electricity demand is expected to increase the need for additional generation resources and supporting energy infrastructure. Coal remains an important component of North Dakota's generation portfolio, and transmission infrastructure plays a significant role in delivering electricity to regional markets. The testimony indicated Project Tundra 2.0 is evaluating an alternative carbon capture approach with an increased emphasis on the use of captured carbon dioxide for EOR.

The committee received testimony from a representative of the North American Coal Corporation regarding coal mining operations, critical minerals development, and future opportunities for the state's lignite industry. The state contains approximately 10 percent of the nation's coal reserves and nearly 20 percent of the world's lignite reserves. The testimony indicated the coal industry generates an estimated $5.4 billion in economic activity through direct and indirect expenditures, income, and business activity. The testimony contended maintaining relationships with landowners remains an important consideration for continued coal development. Rare earth elements and other critical minerals may be recovered and refined from materials associated with coal-fired generation, creating opportunities for additional value-added industries in the state. The committee was informed the North American Coal Corporation and AmeriCarbon are developing the Forge Project, which is intended to establish the first coal tar pitch production facility in the United States. The testimony indicated the development of next-generation power generation facilities would require several billion dollars in investments and additional private and public investment would be necessary to support future energy development opportunities in North Dakota.

The committee received testimony from a representative of the College of Engineering and Mines Research Institute at the University of North Dakota regarding the extraction and commercialization of critical minerals from lignite coal. The testimony indicated North Dakota has an opportunity to become a national leader in critical minerals production, strategic materials manufacturing, and value-added processing. The unique composition of lignite coal in North Dakota allows for the recovery of rare earth elements and other critical minerals while also supporting the production of carbon-based products and fertilizer materials. The technology has progressed from laboratory-scale and pilot-scale testing to commercialization planning. The United States Department of Energy selected a proposed demonstration project at the Falkirk Mine for award negotiations to support commercial-scale deployment. The testimony indicated the project could create new markets for lignite resources, support domestic supplies of critical minerals and strategic materials, and provide opportunities for additional manufacturing investment within the state.

The committee received testimony from a representative of Basin Electric Power Cooperative regarding coal conversion operations and the role of coal-fired generation in North Dakota's energy system. Coal conversion facilities use lignite coal to generate electricity and require extensive generation and transmission infrastructure to deliver power to consumers. New transmission conductor technologies are improving transmission efficiency and reducing line losses. The testimony indicated continued operation of coal-fired power plants depends on economic evaluations comparing the cost of maintaining and upgrading existing facilities with the cost of constructing replacement generation resources. Antelope Valley Station received a $27 million award from the United States Department of Energy to support efforts to extend the operating life of the facility.

Carbon Capture

The committee received testimony from representatives of Minnkota Power Cooperative and Reliant Carbon Capture and Storage regarding Project Tundra 2.0. The project is a carbon capture, utilization, and storage initiative at the Milton R. Young Station designed to capture more than 5 million metric tons of carbon dioxide annually while supporting the continued operation of the coal-fired generating facility. The project advanced from concept to a shovel-ready stage under the original project design and established a permitted carbon storage complex with an estimated storage capacity of 220 million metric tons. Testimony indicated the project uses a cryogenic carbon capture process intended to address the cost, labor, and construction challenges identified during the original project. The facility is expected to be operational in 2029. The committee was informed carbon capture may be used for EOR in the Bakken Formation and to provide opportunities to support both energy production and carbon management objectives in the state.

Tours

The committee toured the Minnkota Power Cooperative headquarters, energy control center, and Walle Substation, in Grand Forks, and received testimony from a representative of Minnkota Power Cooperative regarding the cooperative's operations and future projects.

The committee toured EERC and received testimony from representatives of the center regarding its research activities. Testimony indicated the center's research priorities include oil and gas, carbon management, critical materials and rare earth elements, alternative fuels and renewable energy, coal utilization and emissions, and hydrogen.

The committee toured the Freedom Mine and received testimony from a representative of Coteau Properties Company regarding the mine's operations and reclamation activities. Testimony indicated the coal produced from the mine is supplied to Dakota Gasification Company, Antelope Valley Station, and Leland Olds Station. Coteau Properties Company works with local producers to restore mined land to agricultural use through a reclamation process that takes 3 to 5 years to complete. Testimony indicated mine planning includes evaluating potential impacts on aquifers and wells to minimize disruptions to existing water systems. The testimony indicated reclamation activities are designed to restore land contours and maintain natural water movement following mining operations.

The committee toured an active oil well drilling site operated by Chord Energy and received testimony from representatives of Chord Energy regarding oil and gas drilling operations in the Bakken Formation. Testimony included an overview of the drilling process, site operations, and technologies used to support oil and natural gas production.

The committee toured the Bakken Area Skills Center, in Watford City, and received testimony from a representative of the center regarding the technical education and workforce training programs offered to high school students. The testimony indicated programs include automation, health careers, commercial driver's license training, agriculture, and building trades. The testimony contended the center provides students with educational and workforce training opportunities that support local employment and workforce retention in western North Dakota.

The committee toured the Lonesome Creek Natural Gas Processing Plant and received testimony from a representative of ONEOK, Inc., regarding natural gas gathering, processing, and transportation operations. Raw natural gas produced at the wellhead is gathered, compressed, and transported by pipeline to the natural gas processing facility. The committee was informed processed residue natural gas is recompressed and delivered to interstate and intrastate pipeline systems, storage facilities, processing facilities, and end users across the United States.

The committee toured a McKenzie Electric Cooperative electric substation and received testimony from a representative of the cooperative regarding electric service, infrastructure development, and system reliability in western North Dakota. The cooperative serves seven counties through an electric system consisting of approximately 450 miles of transmission line and 94 substations and was the fifth-largest electric cooperative in the nation for energy sold in 2025. The testimony indicated the cooperative continues to invest in transmission and substation upgrades to support reliability and accommodate future growth. Testimony indicated residential electric rates average approximately 9.2 cents per kilowatt-hour, compared to 11.6 cents per kilowatt-hour statewide and 17.3 cents per kilowatt-hour nationally. Long-term energy policy, permitting, supply chain constraints, and generation diversity remain important considerations in system planning for the cooperative.

Committee Considerations

The committee acknowledged the significant role of oil, natural gas, coal, wind, solar, and other energy resources in North Dakota's economy and energy portfolio. Committee members recognized opportunities to expand energy production, develop value-added energy products, increase natural gas transportation capacity, and support critical mineral and rare earth element development. Committee members also acknowledged the potential for EOR, carbon dioxide utilization, carbon capture, and critical mineral extraction to support long-term energy development in the state. The committee recognized increasing electricity demand, resource adequacy concerns, and transmission infrastructure needs as important challenges facing the state's energy industry. Committee members agreed transmission planning, generation development, and regulatory certainty will be important to support future energy investment and economic growth. Committee members agreed continued development of the state's energy industry will be necessary to support North Dakota's long-term energy and economic objectives.

Conclusion

The committee makes no recommendation regarding the comprehensive energy policy study.

FEASIBILITY OF DEVELOPING GEOTHERMAL ENERGY STUDY

Section 1 of Senate Bill 2360 (2025) directed a study of the feasibility of developing geothermal energy in the state. The study required consideration of the state's geology and the feasibility of geothermal resource exploration and production, opportunities to support startup geothermal companies and foster innovation and economic growth within the state's energy sector, the application of geothermal energy to nonproductive oil and gas wells to extend the life of the well through the use of complementary energy extraction methods, and other opportunities to advance geothermal energy opportunities in the state.

Background

Geothermal energy was first regulated under the federal Geothermal Steam Act of 1970 (30 U.S.C. 1001), which authorized the Secretary of the Interior to lease lands managed by the Department of the Interior or the United States Forest Service for the development of geothermal resources. The Act was amended by the federal Energy Policy Act of 2005 (Public Law No. 109-58), which sought to reduce delays in the federal leasing process and reduce royalty charges to encourage the development of geothermal energy. The Energy Policy Act of 2005 also extended certain categorical exclusions to the oil and gas industry. The National Environmental Policy Act (42 U.S.C. 4321-4347) requires a federal agency to consider the environmental impacts of an activity before the federal agency determines how or whether the activity may proceed. This consideration is exercised through the preparation of an environmental assessment or environmental impact statement.

A categorical exclusion is an activity for which a specific federal agency has determined the environmental assessment or environmental impact statement normally required to be prepared to comply with the National Environmental Policy Act is not required due to a history of the activity not significantly affecting the quality of the environment. In April 2024, the Department of the Interior published a rule to categorically exclude geothermal exploration operations under the National Environmental Policy Act. Specifically, the Department of the Interior adopted the United States Forest Service exclusion related to short-term mineral, energy, or geophysical investigations and the Department of the Navy exclusion related to prelease upland exploration activities for oil, gas, or geothermal reserves for the Bureau of Land Management to use when approving geothermal exploration operations. Geothermal activities not subject to a categorical exclusion are subject to the requirements under the National Environmental Policy Act.

Chapter 38-19 provides the Industrial Commission the authority to regulate geothermal resource development, adopt rules, and issue orders to enforce the chapter. The chapter requires a person to receive a permit from the director of the Department of Mineral Resources before constructing a geothermal energy extraction facility or engaging in any drilling, boring, or excavating in relation to the facility. Within 30 days after the completion of a geothermal energy extraction facility, the geothermal energy extraction facility installer must prepare and provide a report to the State Geologist which must include the name of the facility owner and location of the facility, environmental safety information relating to the facility, a log of formations penetrated or total depth, system specifications and design, and fluids used in the facility.

North Dakota Administrative Code Chapter 43-02-07 regulates geothermal energy production and provides the State Geologist the authority to enforce the chapter. The chapter requires a person installing a geothermal energy extraction facility to obtain a permit from the State Geologist. An applicant may appeal a decision of the State Geologist to the Industrial Commission. The chapter prohibits a producer from operating a facility in a way that contaminates drinking water. The chapter requires the permitholder to file an intention to abandon a geothermal extraction facility before commencing plugging operations and to plug wells in a manner which permanently seals the facility before abandoning the facility. The permitholder must maintain financial responsibility for closing and plugging an abandoned geothermal well.

Chapter 43-02-07 regulates deep geothermal energy production and requires a person to obtain an exploration permit from the Industrial Commission before a person may begin well site preparations for drilling a deep geothermal well. A person also must receive a separate facilities permit from the Industrial Commission before commencing construction on a deep-well geothermal facility. The operator of a deep-well geothermal facility is required to collect and deliver to the State Geologist sample cuts, cores, radioactivity logs, and other pertinent information. The operator also must remit an annual operating fee, which is based on the cost to monitor and inspect the facility. The chapter requires an operator to comply with all plugging and reclamation rules applicable to oil wells when abandoning a deep-well geothermal facility.

Testimony

The committee received testimony from a representative of Geothermal Rising regarding the state's geothermal energy potential, which indicated many of the skills used in the state's oil and gas industry, including subsurface characterization, reservoir modeling, drilling, well completions, well testing, fluid handling, and field operations, are directly applicable to geothermal development. Geothermal energy is a dispatchable power resource with limited fuel-price exposure and can provide continuous power generation. Applications extend beyond electricity generation and include building heating and cooling, greenhouse operations, food processing, aquaculture, and thermal energy storage. Opportunities also exist to coproduce geothermal energy from existing oil and gas wells and to repurpose depleted wells

for geothermal applications. Testimony identified a geothermal pilot project near Killdeer as an example of combining petroleum and geothermal development. The testimony encouraged consideration of a geothermal study to identify commercially viable development areas, evaluate permitting and interconnection requirements, and identify pilot-project opportunities. Federal funding opportunities are available for next-generation geothermal field tests, resource drilling, and demonstration projects.

The committee received testimony from a representative of EERC regarding geothermal resources and potential applications in North Dakota. The testimony indicated the Williston Basin contains geothermal resources with temperatures ranging from 200 to 300 degrees Fahrenheit and temperatures suitable for binary power generation in the basin's deeper formations. Reaching temperatures of approximately 302 degrees Fahrenheit generally requires depths ranging from 13,000 to more than 16,400 feet. The testimony contended the deeper portions of the basin may support geothermal power generation, while shallower resources may support district heating and cooling, greenhouse heating, infrastructure deicing, and agricultural applications. Developmental challenges include low rock permeability and high-salinity water. Testimony indicated hydraulic fracturing may improve permeability and heat transfer rates. The testimony asserted existing oil and gas wells, infrastructure, workforce expertise, and subsurface data would support geothermal development and reduce exploration risk and capital costs. Geothermal resources also may support oil and gas operations, critical mineral extraction, district heating systems, greenhouse operations, and agricultural processing. Direct-use geothermal systems and geothermal facilities may achieve efficiencies ranging from 70 to 90 percent and may operate for 30 years or longer.

The committee received testimony from a representative of the University of North Dakota regarding geothermal energy development opportunities in the state. The testimony indicated decades of university research have identified geothermal resources throughout the Williston Basin, including more than 300 well temperature profiles and six mapped geothermal aquifer formations. Temperatures suitable for direct-use heating, cooling, and geothermal power production occur at depths commonly reached by existing North Dakota oil wells. The state has more than 43,000 oil and gas wells and an established workforce with expertise in drilling, reservoir engineering, well testing, and field operations. Certain nonproductive wells may support geothermal development. Existing wellbores provide access to geothermal formations, and existing subsurface data may reduce exploration risk and drilling costs. The UND-Continental Resources geothermal power project generated electricity from geothermal heat in the Williston Basin at an estimated cost of approximately 6 cents per kilowatt-hour. The project demonstrated the technical feasibility of geothermal power generation in the state. Electricity demand in the state increased 37 percent between 2019 and 2023, and a proposed data-center campus in Ellendale is expected to have a peak demand of 530 megawatts. The testimony asserted geothermal development could provide additional uses for existing wells, support agricultural applications such as greenhouse heating and grain drying, and help meet growing energy demands.

Committee Considerations

The committee expressed interest in pursuing geothermal energy production in the state and requested EERC, the University of North Dakota Energy and Petroleum Engineering Department, and Geothermal Rising work together to provide a plan to leverage federal funding and other partnerships to support a comprehensive study on geothermal energy to include a pilot demonstration project and regulatory framework to promote geothermal energy within the state.

Conclusion

The committee makes no recommendation regarding its study on the feasibility of developing geothermal energy.

IMPACT OF LARGE ENERGY CONSUMERS STUDY

Section 1 of House Bill 1579 (2025) directed a study of the impact of large energy consumers, including data centers, on the state's electrical grid, regulatory structure, and economic development. The study required consideration of electrical grid reliability and infrastructure requirements, including grid capacity; necessary upgrades to accommodate large energy consumers; the allocation of upgrade costs; the effects of congestion caused by increased development; best practices for integrating high-demand users while maintaining reliability for all ratepayers; regulatory consistency throughout the state, including the manner in which state and local laws and regulations impact large energy consumers; the appropriateness of the certificate of public convenience and necessity process for private-sector end users; regulatory inconsistencies among investor-owned utilities, rural electric cooperatives, municipal power providers, and independent power producers; economic impacts on the state's energy industry, including job creation, tax revenue generation, and long-term investment trends tied to data center development and other large energy consumers; market dynamics within the local and national energy industry, including the role of demand-side management, local and regional energy market participation, and the ability of large consumers to support grid stability through off-peak consumption or other grid-supportive practices; the costs and impacts of regulated and exempt public utilities, including reporting practices, regulatory and exemption criteria relating to load size, system integration, application processes, impacts to consumers and access to the regional grid system, electrical generation sources, the feasibility of colocated backup generators at various facilities, and generation sources, including legacy electric generation units. The study also required input from representatives of data center operators and other large energy consumers operating or

considering investment in the state, investor-owned utilities, rural electric cooperatives, municipal power providers, independent power producers, the PSC, the Lignite Energy Council, the North Dakota Transmission Authority, regional transmission organizations, the Petroleum Council, and other relevant state or federal agencies.

Background

Data center construction in the United States increased from 611.8 megawatts at the end of 2020 to 680.8 megawatts in the first half of 2021. By mid-2021, more than 527.6 megawatts of capacity were under construction in primary markets, representing a 42 percent increase compared to the same period in 2020. The data center construction market is anticipated to double in size from $64.2 billion in 2019 to $121.6 billion by 2027. Between 2014 and 2016, annual electricity use by data centers remained stable at approximately 60 terawatt-hours (TWh). By 2018, use increased to 76 TWh, accounting for 1.9 percent of total United States electricity consumption. In 2023, electricity use reached 176 TWh, representing 4.4 percent of national consumption. Projected electricity uses in 2028 range from 325 to 580 TWh. This range represents 6.7 to 12 percent of projected total United States electricity consumption.

In April 2025, President Donald Trump issued Executive Order 14262, entitled *Strengthening the Reliability and Security of the United States Electric Grid* and Executive Order 14261, entitled *Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241* to address the rising strain on the electric grid from large energy consumers, including artificial intelligence (AI) data centers and expanded domestic manufacturing. Executive Order 14262 directs the Secretary of Energy to develop a uniform methodology to identify current and anticipated reserve margins across the bulk power system regulated by the Federal Energy Regulatory Commission to identify regions with reserves below acceptable thresholds. The order also directs the Secretary of Energy to develop a protocol to identify which generation resources within a region are critical to system reliability. In response to the order, the United States Department of Energy issued the July 2025 report entitled *Evaluating the Reliability and Security of the United States Electric Grid*. The report identified the need for rapid reforms to bolster the nation's power grid to safeguard grid reliability and power data centers needed to win the AI arms race and preserve national security.

North Dakota has emerged as a competitive location for data center development due to its naturally cold climate, relatively low energy costs, favorable tax policies, and access to stable energy resources. As the state continues to diversify its economy, demand for digital infrastructure, driven by technologies such as AI, has significantly increased. The increased use of AI has contributed to a rising demand for data centers, which are known for high energy consumption and significant impacts on local electric grids. North Dakota's electrical grid has approximately 9,508 megawatts of installed utility-scale generation capacity and is a net exporter of electricity, which includes 4,048 megawatts from coal-fired plants, 4,250 megawatts from wind power, although this receives a reduced accreditation of about 700 megawatts due to intermittency, and smaller contributions from natural gas and hydroelectric sources. The state's transmission system is managed by two major independent system operators, MISO and SPP.

Testimony

Electric Rates, Cost Allocation, and Large-Load Service

The committee received testimony from a representative of Montana-Dakota Utilities Company regarding the impact of large energy consumers on the electric system. Montana-Dakota Utilities Company expects to serve large data center loads, including the proposed 530-megawatt Ellendale data center, through purchases from the MISO market rather than through new rate-based utility assets. The testimony indicated the approach allows underutilized generation resources to reach additional markets while reducing risk to existing customers and returning transmission service revenues and transaction-related revenues to customers through existing sharing mechanisms. Montana-Dakota Utilities Company developed Rate 45 for large-load customers requesting at least 10 megawatts of new service, which allows participating customers to respond to real-time pricing signals through demand-response programs and requires approval of electric service agreements by the PSC. Testimony indicated a market energy study associated with the Ellendale project concluded other customers would not experience higher electricity costs as a result of the project. Customers that are data centers are responsible for the costs of grid upgrades necessary to serve their facilities. The testimony indicated electrical service agreements typically range from 5 to 15 years in duration, and the full contracted Ellendale data center load, totaling approximately 530 megawatts, is expected to be online in early 2028. The testimony asserted the project will provide annual customer benefits exceeding $34 million, or approximately $250 per residential customer per year, when fully operational. Data center customers may be interrupted before other customer classes during system emergencies and additional generation resources may be needed to maintain reliable service and stable prices as large-load development continues.

The committee received testimony from a representative of Basin Electric Power Cooperative regarding the cooperative's Large Load Program and the impact of large energy consumers on the electric system which indicated the size of proposed large-load projects in North Dakota has increased substantially. Projects historically considered large require 3 to 5 megawatts of service, while current requests may seek 50 megawatts or more and, in some cases, exceed the electric demand of entire communities within Basin Electric's service territory. The testimony indicated the generation and transmission infrastructure serving current customers took over a century to build, yet utilities are being asked to

accommodate a similar scale of development within only a few years. The cost of new infrastructure also has increased, with generation costs rising from approximately $800 per kilowatt to $2,700 per kilowatt and transmission line costs increasing from approximately $400,000 per mile to $2 million per mile. Basin Electric developed the Large Load Program to ensure the costs and risks associated with serving new large-load customers are not borne by existing members. Large-load customers must prepay for transmission and power-supply studies, pay for necessary transmission upgrades, and contribute capital toward new generation resources needed to serve the load. The testimony indicated one of the primary risks associated with large-load projects is the possibility a developer may abandon a project after significant infrastructure investments have been made. The program's advance-payment requirements are intended to reduce that financial exposure, minimize rate impacts, reduce the risk of stranded assets, and protect Basin Electric's credit rating. Workforce limitations, tariffs, and supply-chain constraints also may affect project timelines.

The committee received testimony from a representative of the North Dakota Association of Rural Electric Cooperatives regarding cooperative business models and the addition of large-load customers to the electric system. The testimony indicated utility providers often must complete multiple studies and make significant upfront investments before constructing facilities to serve large-load customers. The testimony indicated some proposed large-load additions would double the size of existing electric loads served by cooperatives in North Dakota. The testimony indicated cooperative utilities do not approve projects that would reduce reliability for existing members and utilities must balance investments in new generation and transmission infrastructure with the potential costs of overbuilding the electric system. In some cases, utilities may enter agreements with neighboring providers to meet increasing demand and avoid unnecessary construction costs while maintaining reliable service.

Electric Reliability and Infrastructure

The committee received testimony from a representative of the North Dakota Transmission Authority regarding electric grid reliability, transmission planning, and the ability of the state's power system to accommodate large energy consumers. Testimony indicated SPP, MISO, and utility providers are making significant investments in transmission infrastructure to address growing electric demand and reliability concerns. The North American Electric Reliability Corporation identified SPP as an elevated long-term reliability risk area and MISO as a high long-term reliability risk area. The testimony indicated power generation and transmission projects are long-term investments that require stable and consistent policy to support planning and development. Although exports have declined in recent years, North Dakota remains a net exporter of electricity. Important considerations in future transmission and generation planning include increasing demand growth, resource adequacy concerns, generation retirements, transmission constraints, and landowner concerns.

The committee received testimony from a representative of Otter Tail Power Company regarding the Jamestown to Ellendale JETx 345-kilovolt transmission project which indicated the project was identified as a reliability project before the announcement of the Applied Digital data centers and was approved by MISO as part of its Tranche 1 Long Range Transmission Planning portfolio. The project will create a high-voltage transmission loop between Jamestown and Ellendale, providing an alternative pathway for electricity delivery when other transmission facilities are out of service and reducing the impact of load isolation events. The testimony indicated the project will increase transmission capacity, reduce transmission constraints, support additional electric generation, and accommodate new commercial and industrial loads. The project received a certificate of public convenience and necessity from the PSC in 2024, additional permitting is underway, and construction is expected to be completed in 2028. The testimony indicated approximately 98.5 percent of project costs are allocated across the MISO Midwest region through the multi-value project cost-allocation process rather than being borne solely by North Dakota ratepayers.

The committee received testimony from representatives of the North Dakota Transmission Authority, EERC, and Power System Engineering, Inc., regarding the results of the Transmission Authority's transmission capacity and large-load impact study. The study evaluated large-load scenarios ranging from 600 megawatts in western North Dakota to 1,400 megawatts in eastern North Dakota. The study found thermal and voltage violations increased between the base and large-load scenarios and transmission facility upgrades may mitigate the observed violations. The testimony indicated adding large loads without matching generation increased congestion and locational marginal prices, while price-sensitive load curtailment reduced congestion and price impacts. The study found large-load additions may create new opportunities for in-state energy sales when accompanied by network upgrades and may increase thermal generation dispatch and renewable energy output using energy that otherwise would be curtailed due to transmission limitations.

The committee received testimony from a representative of the PSC regarding the impact of large energy consumers and data centers on the electric system which indicated increasing utility infrastructure costs ultimately are reflected in customer rates through the ratemaking process. The testimony indicated improved planning could have reduced congestion costs incurred in northwestern North Dakota following the addition of a data center in Williams County and highlighted the Applied Digital data center as an example of locating a large energy consumer in an area with excess power supply. The testimony indicated the PSC does not have jurisdiction over data centers and data centers may be

developed without public planning or review by the commission, making it more difficult for utilities and regulators to anticipate large increases in electric demand. The testimony also noted MISO's long-range transmission planning efforts are expected to exceed $100 billion and that all ratepayers ultimately will bear a portion of those costs. Electricity demand in northwestern North Dakota increased more rapidly than anticipated, and the addition of a large data center contributed to transmission congestion costs because generation and transmission projects require significant time to develop.

Data Centers and Economic Development

The committee toured a data center in Ellendale and received testimony from a representative of Applied Digital regarding the data center's operations, including infrastructure, energy demand, water use, economic impact, and impacts on the local community.

The committee received testimony from a representative of Ellendale Public Schools regarding workforce development and educational opportunities associated with data center development. The testimony indicated the school district has experienced enrollment growth and an expanded local tax base. The testimony asserted housing availability has created challenges in recruiting teachers, with some prospective teachers declining employment opportunities due to housing constraints. The testimony also indicated the data center has created additional opportunities for students to develop technology-related and 21st century workforce skills.

The committee received testimony from a representative of Rainbow Energy Center regarding the integration of large energy consumers at Coal Creek Station. Testimony indicated the facility serves a 225-megawatt behind-the-meter cryptocurrency mining load and is evaluating additional data loads of 285 and 130 megawatts. Behind-the-meter interruptible loads allow the facility to adapt to changing energy market conditions while maintaining electric reliability. The facility is negotiating a power purchase agreement with a data center developer and is evaluating opportunities for additional future data infrastructure development. Rainbow Energy Center also is evaluating additional natural gas generation and working with partners to develop a 136-mile natural gas pipeline to support future energy demand and large-load development.

Regulatory, Permitting, and Local Government

The committee received testimony from a representative of the North Dakota Transmission Authority regarding local control associated with data centers and other large-scale energy and industrial development projects, which indicated local governments are increasingly asked to consider zoning, permitting, and land-use decisions involving data centers, transmission lines, pipelines, and other large energy infrastructure projects. County commissions and planning and zoning boards often face significant economic, infrastructure, and community impact decisions with limited analytical tools and support resources. The testimony indicated local officials would benefit from objective financial and community impact analysis tools, standardized data, and training resources to assist in evaluating large development proposals. Industry interest in North Dakota is expected to continue due to the state's energy resources, agricultural production, and economic development opportunities. The testimony asserted future growth likely will require additional transmission and pipeline infrastructure.

The committee received testimony from a representative of the McLean County State's Attorney's office regarding data center zoning and permitting policies. The testimony asserted zoning decisions relating to data center development are inherently local issues and local control should be maintained. Testimony contended tax incentives are not a significant factor in data center siting decisions and should be eliminated. The testimony asserted counties lack the capacity to administer reclamation bonding programs or oversee reclamation activities and any reclamation bonding framework should provide authority for the development of administrative rules and state-level oversight.

Environmental and Natural Resource Considerations

The committee received testimony from a representative of the Department of Environmental Quality regarding the department's role in the development and operation of large energy consumers, including data centers. The department administers the state's air quality, water discharge, storm water, and waste management programs but does not regulate water appropriation, zoning, facility location, noise, or light pollution. According to the testimony, water quality and waste management issues associated with proposed data centers appear manageable. The testimony indicated the facilities use closed-loop water systems and standard storm water and waste management practices. Data centers generally do not produce air emissions during normal operations, although emergency backup generators may require air quality permits and compliance with emissions standards. Air quality issues associated with large energy consumers are closely tied to electric grid reliability. The testimony indicated air quality permits require staged engine testing, tracking of generator usage, and air monitoring to inform future regulatory decisions. The testimony contended power from the electric grid is preferred to backup generation and natural gas may replace diesel-fueled generators.

The committee received testimony from a representative of the Department of Water Resources regarding the impact of data centers on the state's water resources. North Dakota's cooler climate reduces cooling demands for data centers compared to facilities located in warmer climates. The testimony asserted water demands associated with data centers are relatively limited, with data centers using between 5 and 112 acre-feet of water annually compared to approximately 1,200 acre-feet annually for an average power plant. Testimony indicated there is limited concern regarding water availability to support data center development in the state. The testimony suggested North Dakota's use of Missouri River water remains minimal and does not present significant concerns regarding water availability for downstream states. The testimony asserted water use associated with data centers is comparable to, and in some cases less than, water use associated with hydraulic fracturing operations.

Committee Considerations

The committee discussed the projected growth in electricity demand associated with data centers and other large energy consumers and the effect of that growth on generation, transmission, and electric reliability. Committee members acknowledged public concerns regarding the potential impacts of data center development and recognized state agencies have regulatory programs in place to protect the state's natural resources. Committee members expressed concern regarding the potential impact of large energy consumers on existing ratepayers and agreed the costs of generation, transmission, and other infrastructure necessary to serve large energy consumers should not be borne by existing ratepayers.

Conclusion

The committee makes no recommendation regarding its study of the impact of large energy consumers.

REQUIRED REPORTS

State Energy Research Center Salt Cavern Underground Energy Storage Report

The committee received a report from a representative of the State Energy Research Center regarding the status and results of its salt cavern underground energy storage research project, pursuant to Section 15 of House Bill 1014 (2023). According to the report, the first two phases of the project identified prospective salt formations and validated the geologic suitability of those formations for engineered salt cavern development. The report indicated the third phase of the project includes technical and business case analyses of potential storage uses, including natural gas, natural gas liquids, propane, and hydrogen. Preliminary results suggest North Dakota salt formations are suitable for commercial-scale storage, with estimated construction costs for a multicavern storage complex ranging from $150 million to $250 million. Salt cavern storage would provide price stability and fuel security for natural gas generation, support the development of value-added products from the state's oil and gas resources, and provide additional capacity to manage produced gas in the Bakken.

State Energy Research Center Activities and Accomplishments Report

The committee received a report from a representative of the State Energy Research Center regarding the research activities and accomplishments of the center, pursuant to Section 15-11-40. According to the report, the center celebrated 75 years of innovation and continues to focus its research efforts on oil and gas, carbon management, critical materials and rare earth elements, alternative fuels and renewable energy, coal utilization and emissions, and hydrogen. The report highlighted ongoing research relating to EOR in conventional oil fields and the Bakken Formation, including a large-scale EOR pilot intended to support future commercialization efforts. The report identified opportunities to increase oil production through carbon dioxide EOR technologies. In addition, the report provided an overview of the center's research, demonstration, and technology development facilities, including the materials exploration facility and approximately 254,000 square feet of laboratory, pilot-scale, and technology development space. The center also operates the National Center for Hydrogen Technology and collaborates with the Heartland Hydrogen Hub to research future hydrogen technologies. The report indicated a leading opportunity for North Dakota is converting natural gas into hydrogen and the conversion of hydrogen into fertilizer products for agricultural use.

Agriculture Commissioner Postproduction Royalty Oversight Report

The committee received a report from a representative of the Department of Agriculture regarding the implementation of services provided under the Postproduction Royalty Oversight Program, pursuant to Section 4.1-01-26. According to the report, the program connects royalty owners and well operators with an independent ombudsman to assist with royalty payment issues and facilitate communication between parties. The report indicated the program assists royalty owners with issues relating to delayed royalty payments, an inability to contact well operators, and questions regarding royalty payment amounts. After a case is assigned, the ombudsman contacts the royalty owner and well operator to help clarify payment discrepancies or communication breakdowns. The program provides educational outreach and resources to assist royalty owners in understanding royalty payments and other royalty-related matters. The report also indicated the identities of individuals requesting or receiving assistance through the program are confidential and are protected from disclosure under state law.

North Dakota Transmission Authority Report

The committee received a report from the North Dakota Transmission Authority, pursuant to Section 17-05-13. According to the report, the authority continued to facilitate transmission development through participation in regional transmission organizations, reliability organizations, and regional transmission planning efforts. The authority completed a large-load impact study evaluating the effects of significant new electric loads on transmission loading, system reliability, transmission congestion, electricity market prices, generation dispatch, and renewable generation curtailment. The study found additional large-load scenarios significantly increased thermal and voltage violations and demonstrated coordinated generation and transmission development will be required to support substantial load growth.

The report indicated increasing electricity demand associated with industrial development, AI, data centers, building electrification, and transportation electrification continues to present challenges for grid reliability and transmission planning. Regional transmission organizations continue to advance transmission planning, interconnection reforms, and infrastructure development to address growing demand and reliability needs. The report also highlighted generation and transmission projects under development throughout the state, including transmission expansion projects, grid modernization efforts, and new generation resources intended to support reliability and future load growth.

North Dakota Pipeline Authority Report

The committee received a report from the North Dakota Pipeline Authority regarding an update on the authority's activities, pursuant to Section 54-17.7-13. As of November 2025, there were 33 active drilling rigs in North Dakota. The report indicated operators continued to increase the use of longer lateral wells, with approximately 65 percent of completed wells using 2-mile laterals and 35 percent of completed wells using 3-mile laterals. The report indicated 4-mile lateral development began in 2024, with an increasing number of permits being issued in the past 2 years. The report emphasized the importance of natural gas production, and related gathering, processing, transmission, and storage infrastructure. According to the report, the authority continues to evaluate natural gas transportation capacity needs and opportunities to expand pipeline infrastructure to support future production, industrial development, and regional demand growth. The report provided updates on several proposed natural gas transmission projects, including the Bakken xPress project, the proposed Bakken east pipeline project, the Minot Industrial Pipeline, and the Line Section 32 expansion.

High-Level Radioactive Waste Advisory Council Report

The committee received a report from the High-Level Radioactive Waste Advisory Council, pursuant to Section 38-23-08. According to the report, the council met on November 8, 2024, July 8, 2025, and October 22, 2025, to review issues relating to high-level radioactive waste management, transportation, storage, and disposal. The council received presentations from representatives of the United States Department of Energy, the Wyoming Energy Authority, the Nuclear Waste Management Organization, the Nuclear Energy Institute, and the North Dakota Department of Environmental Quality regarding spent nuclear fuel transportation, radioactive waste management, deep geological repositories, and radioactive waste regulation. The council discussed advanced nuclear energy development, future energy demand associated with data centers and AI, and updates regarding the Advanced Nuclear Energy Committee and the study authorized under House Bill 1025 (2025).

Industrial Commission Carbon Dioxide Storage Facility Trust Fund Report

This report was not received prior to publication.

Coal Conversion Facility Carbon Dioxide Emissions Capture Report

The committee did not receive a report, pursuant to Section 57-60-02.1, from a coal conversion facility that received a tax credit for achieving a 20 percent capture of carbon dioxide emissions because no facilities received the credit during the reporting period.