

Sixty-seventh
Legislative Assembly
of North Dakota

**ENGROSSED SENATE CONCURRENT
RESOLUTION NO. 4012**

Introduced by

Senator Wardner

Representative Pollert

1 A concurrent resolution to establish a state policy to support the reliability and resilience of the
2 electric grid, ensure price transparency to consumers in electric markets, and incentivize carbon
3 capture utilization and storage as an alternative to preserve dispatchable thermal electric
4 generation and its associated benefits.

5 **WHEREAS**, the welfare of the citizens and economic security of this state depends on the
6 reliability and resilience of electric power supply; and

7 **WHEREAS**, maintaining a reliable and resilient grid with a combination of resources that
8 has dependence on thermal electric generation fueled by abundant domestic coal and natural
9 gas is essential to domestic energy and geopolitical security; and

10 **WHEREAS**, the variability of nondispatchable energy that is subsidized presents major
11 challenges to the independent system operators responsible for the bulk power system
12 reliability and resilience as they have less dispatchable thermal electric generation available;
13 and

14 **WHEREAS**, electric power markets have been distorted by direct and indirect subsidies
15 which has resulted in the undervaluation of dispatchable thermal electric power plants that are
16 now at risk of early retirement that will further erode electric grid reliability and resilience; and

17 **WHEREAS**, regional utilities have announced plans to retire coal-fired electric generation
18 facilities located in North Dakota and the region before the facilities' useful life while
19 simultaneously making significant investments in nondispatchable energy projects; and

20 **WHEREAS**, these announcements create an urgent need for North Dakota to take actions
21 to make clear the value of dispatchable power and address market distortions created by
22 production of nondispatchable power both locally and regionally; and

23 **WHEREAS**, in both the Southwest Power Pool and Midcontinent Independent System
24 Operator, state and federal policies mandating and incenting the deployment of significant
25 nondispatchable energy are imposing reliability and resilience penalties on the bulk power

1 system relied upon by the citizens and industries of North Dakota without due compensation for
2 the true and total cost of those penalties; and

3 **WHEREAS**, planning by the Midcontinent Independent System Operator and the Southwest
4 Power Pool includes major additions of transmission lines, synchronous condensers, static
5 compensators, and other devices to provide grid attributes that are lost as dispatchable
6 resources retire; and

7 **WHEREAS**, economics and scaling issues currently remain a challenge for energy storage
8 technologies to provide sufficient capacity to replace dispatchable thermal electric generation
9 and provide grid support; and

10 **WHEREAS**, North Dakota has long served as an energy producer and exporter for the
11 Midwest and the nation and is situated uniquely to advance and benefit from carbon capture
12 utilization and storage projects due to the state's significant lignite reserves and associated
13 lignite-fired thermal electric generation and coal conversion facilities, geologic formations, the
14 state's significant natural gas capture and electric power development opportunities, as well as
15 the state's significant oil reserves that have high potential for enhanced oil recovery utilizing
16 anthropogenic carbon dioxide captured from lignite- and gas-fired thermal electric generation;
17 and

18 **WHEREAS**, developing carbon capture utilization and storage projects in North Dakota will
19 result in significant state and local revenue and employment benefits by preserving lignite mines
20 and associated thermal electric generation plants while creating new employment and revenue
21 opportunities associated with the construction and operation of carbon capture, power plant,
22 and enhanced oil recovery projects; and

23 **WHEREAS**, additional opportunities will be created by utilization of electricity onsite through
24 both carbon capture utilization and installation of complimentary operations that use high
25 amounts of electricity, creating products onsite not necessary to ship to market, further reducing
26 capacity utilizing the transmission system, and creating space for additional technology neutral
27 electric generation in future years; and

28 **WHEREAS**, by deploying carbon capture utilization and storage and other onsite electricity
29 consumption projects in North Dakota using lignite, natural gas, power plant, and other
30 cutting-edge technology and workers from North Dakota to produce reliable and affordable
31 electric generation for its citizens and its industry, as well as other products, North Dakota not

1 only will benefit in the short term economically, it will improve reliability and affordability
2 throughout the Midwest and ensure the ability to be a world leader in deploying carbon capture
3 utilization and storage projects globally, ensuring developing nations the ability to provide
4 low-carbon, reliable energy to their citizens; and

5 **WHEREAS**, the system of regulatory oversight does not ensure sufficiently the reliability
6 and resilience of the electric grid because of market distortion and unrealistic electricity
7 production mandates from states, driving regional transmission operators in their dispatch
8 policies; and

9 **WHEREAS**, the combination of direct and indirect subsidies are hidden in the cost to the
10 ratepayer, preventing ratepayers from knowing the true and total cost of the electric power
11 purchased; and

12 **WHEREAS**, regional transmission operator policy decisions lead to premature retirement
13 analyses that do not consider adequately the reliability and resilience penalties of renewable
14 nondispatchable energy. Nor do they adequately scrutinize premature retirement decisions by
15 requiring analysis and compensation for decarbonization by installation of carbon capture
16 utilization and storage technologies, which help meet carbon reduction goals; allow additional
17 energy generation to utilize the transmission system; and bring significant economic,
18 employment, and energy security benefits to North Dakota and the United States; and

19 **WHEREAS**, robust and diverse production of all natural resources for electric generation
20 within the state of North Dakota should be maintained while providing stable and affordable
21 electricity benefits to North Dakota and its citizens, along with the electrical grid connected to
22 the surrounding region; and

23 **WHEREAS**, priority should be given to industries working together to achieve overall best
24 practices by integrating aspects of multiple industries to achieve the best overall results; and

25 **WHEREAS**, use of waste heat, carbon recycling, hybrid generation resources, energy
26 storage, and new technologies that contribute to a reliable grid, overall energy efficiency, and
27 reasonable cost are all part of this vision;

28 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
29 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

30 That a state policy is established to support the reliability and resilience of the electric grid,
31 establish inherent value of dispatchable energy, ensure price transparency to consumers in

1 electric markets, and incentivize carbon capture utilization and storage as an alternative to
2 preserve dispatchable thermal electric generation and its associated benefits; and

3 **BE IT FURTHER RESOLVED**, that the Public Service Commission shall coordinate with
4 regional transmission organizations to ensure and develop policies reflected above which
5 provide reliable, dispatchable power for the region in an effective and consistent manner,
6 discourage premature retirement of our thermal electric power generation fleet, and encourage
7 installation of carbon capture utilization and storage technologies to help meet decarbonization
8 and reliability goals of the region in an effective and consistent manner; and

9 **BE IT FURTHER RESOLVED**, that the North Dakota Transmission Authority annually
10 develop a comprehensive report for North Dakota by collecting publicly available information
11 and other requested information from our state's utilities and utilize this information to
12 coordinate with regional transmission organizations to ensure both local and regional grid
13 reliability as well as to develop a plan to enhance and expand transmission within North Dakota
14 to continue our strong tradition of being an energy exporter to our region and the United States;
15 and

16 **BE IT FURTHER RESOLVED**, that the Secretary of State forward a copy of this resolution
17 to the Public Service Commission; North Dakota Transmission Authority; North Dakota
18 Congressional Delegation; Midwest Independent System Operator; and Southwest Power Pool.