

Testimony of Grand Forks Mayor Brandon Bochenski
Senate Appropriations Committee
Bismarck, North Dakota – November 9, 2021

Chairman Holmberg and Senate Appropriation Committee Members, thank you for allowing me the opportunity to testify before you about natural gas.

The State of North Dakota has tremendous energy, water, and agriculture resources within its borders that are dispersed throughout various geographic areas of our State. Billions of dollars of economic development projects wait in the wings for the right combination of these important resources to strategically come together. We have an opportunity to diversify a fast-growing economy not only regionally, but statewide for many cities and counties as well. Our state is only as strong as the sum of its parts.

A natural gas trunk line bringing low-cost and high-quality Bakken natural gas from western to eastern North Dakota, is one of several game-changing investments that can unlock boundless industrial potential while also serving the residents of many communities along the way. Increasing natural gas usage within the state will also allow for increased oil production to reach 1.5 million barrels a day and beyond. The proposed \$150 million in appropriated funds from the State Fiscal Recovery Fund for natural gas pipeline infrastructure will give the private sector the leverage it needs to invest in this legacy project.

Industrial growth for Grand Forks has been historically hampered because of the limited natural gas capacity and supply creating a difficult environment to seize the maximum value of the region's rich agricultural land of the Red River Valley. This limitation provides a significant competitive disadvantage and obstacle in drawing industrial development to Grand Forks and other areas of the state while other communities in ag-rich states that do not have this limitation have grown industry, populations, and added new jobs.

A large publicly traded company, Fufeng Group Ltd., has chosen Grand Forks for the location of its first U.S. based wet-corn mill manufacturing facility. The site chosen for the phase 1 of the project is a 370-acre parcel in Grand Forks' agri-business park and the project is projected to be the region's largest ever private investment. The national siting competition included 25

locations with Fufeng Group Ltd. selecting Grand Forks as the primary site of the facility and the community where it wants to operate its historic industrial facility.

The development is contingent on our ability to serve the project with 32 million cubic feet per day peak in natural gas. The development timeline is one where the facility is scheduled to become operational several years before the proposed Bakken Trunk Line would reach the facility. Postponing the development until the Bakken Trunk line reaches the facility would result in losing this extraordinary development and the economic impact such a facility will have on Grand Forks and the surrounding area. Therefore, the City of Grand Forks is requesting that along with the funding for the Bakken Trunk Line, the appropriations bill also includes a \$10.5 million grant that would be used to offset the costs of pipeline infrastructure improvements to serve the Grand Forks' agri-business park from the Viking line 13 miles to our east with a 12" lateral line. This 13-mile pipeline infrastructure would provide an interim solution for the natural gas capacity and supply need for this industrial development in Grand Forks and importantly allows this project to continue with an intended groundbreaking in the spring of 2022. The benefits of this 13-mile pipeline infrastructure is three-fold: (1) it secures significant gas user standing ready to be served by the new Bakken Trunk Line when ready and that will be fully operational several years before the Bakken Trunk Line is completed, (2) a redundant access to natural gas is created, and (3) an ability to connect this lateral line is created to the Bakken Trunk Line for interstate distribution of Bakken natural gas into the future. The capacity from the Viking pipeline line is not a long-term solution in Grand Forks as the capacity cannot support other future users that likely include the following: American Crystal Sugar, JR Simplot Co., Red River Bio Refinery expansion, Phase 2 of Fufeng's wet corn mill, residential growth, and most notably Northern Plains Nitrogen. All told additional consumption of another 150-200 MMCF/day could be online within the next 5-10 years.

These current projects and many others in the que highlight the importance of the Bakken Trunk Line from western to eastern North Dakota.

In summary, the Bakken Trunk Line will solidify the long-term competitive advantage to Grand Forks and the State of North Dakota for further development and the future economic growth for our community, region, and state. The \$10.5 million in funding to install 13-mile pipeline

infrastructure improvements provide an immediate impact of allowing an extraordinary development to move forward and will serve the long-term impact and purpose of the Bakken Trunk Line by creating a connecting point for the distribution of Bakken natural gas.

Thank you for your time and consideration,

Brandon Bochenski

Mayor of Grand Forks