



March 15, 2023

Chairman Larsen and Senate Industry and Business Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Bill 1429 due to the experiences that the lignite industry has had as it relates to the Environmental, Social and Corporate Governance (ESG) principles which has negatively impacted the lignite industry by drastically increasing our insurance premiums, in one case by over 300%, over the past few years in an attempt to put the coal industry out of business.

The ESG movement has emboldened activist shareholders at national and international financial organizations who in turn influence insurance providers to discriminate against the coal industry for perceived environmental concerns that do not take into account the massive benefits that are provided through reliable and affordable electricity for our regions homes and businesses along with the fact that the North Dakota coal industry leads the nation in reclamation to return the mine land back to its original pristine condition. ESG principles also do not factor in that North Dakota is one of only four states who has never been in non-attainment, or has never violated federal air quality regulations. We are on the cusp of creating the largest carbon capture projects in the world that will retrofit two of our largest coal plants which will become the gold standard on how to lower carbon emissions while providing dispatchable baseload electricity to two regional grids. Unfortunately, the ESG movement does not give this kind of environmental leadership any credit for the tens of millions of dollars in investments by the state and private industry along with the vision to make this a reality.

Due to ESG market pressures, we are currently experiencing spiking insurance premiums and a lack of available alternative insurance plans moving forward. We are not sure how this situation will play out, but we appreciate that we have leaders in the legislature and in the insurance commissioners office that are willing to work on fixing this critical problem that we face as a major industry and taxpayer in this state.

We are supportive of the language found in Section 2 that provides North Dakota's Insurance Commissioner with tools to investigate and respond to the denial of insurance products due to ESG discrimination. While this is a good step in the right direction to protect the 13,000 jobs and \$5.4 billion in regional economic impact that our industry provides, we would ask that the committee amend this language to include the proposed language that was offered by the commissioner to also include the ability to investigate spikes in insurance rates that are not due to major claims.

For these reasons, the Lignite Energy Council supports HB1429 with the proposed amendment and we respectfully ask the committee to move a "Do-Pass" recommendation.

Thank you for your consideration,

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