

2021 HOUSE ENERGY AND NATURAL RESOURCES

HCR 3025

2021 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HCR 3025

2/4/2021

Urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in ND and to increase support for research, development, and deployment for next generation carbon based energy generation.

10:26 AM

Present: Representatives Porter, Damschen, Anderson, Bosch, Devlin, Heinert, Keiser, Lefor, Marschall, Roers Jones, M Ruby, Zubke, Guggisberg, and Ista.

Discussion Topics:

- Affordable energy
- Air quality
- Economics
- ND has an 800-year supply coal

Jonathan Fortner, VP of Gov't Affairs, Lignite Energy Council #5276
Geoff Simon, no written testimony

Additional written testimony:

#4953 Jean Schafer, Basin Electric Power Cooperative

10:34 AM

Kathleen Davis, Committee Clerk



February 4, 2021

Chairman Porter and House Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Concurrent Resolution 3025. This resolution describes the status of the lignite industry and its contributions to the State of North Dakota, and factors impacting its ability to continue providing reliable, environmentally responsible, and affordable power to the Upper Midwest.

However, the real focus of this resolution is to urge our federal leaders to work with the state and industry to continue to develop real technological solutions to enable the continuation of coal-based generation in North Dakota. Under past administrations, the industry was put in a defensive position with respect to an onslaught of federal regulations, some well-intentioned but unworkable, and some intentionally aimed at stopping the mining and use of our coal resources. In the past two weeks, under the current administration – through executive orders targeting the fossil fuel industry – appears poised to resume the war on coal.

The coal industry is not anti-regulation, and the State of North Dakota has proven that government can balance responsible coal development with environmental stewardship and the needs of the people. We believe that the federal government should follow the example set by this state and its commonsense regulation of the lignite industry, and this resolution would effectively deliver that message.

The Lignite Energy Council appreciates Representative Nehring and the cosponsors of this resolution, and the North Dakota legislature for their continued support and recognition of the lignite industry's strong track record of success in providing affordable and reliable electricity, 13,000 jobs, and billions in economic activity to the State of North Dakota and the region.

For these reasons, the Lignite Energy Council supports HCR3025 and we respectfully ask that the committee provide this legislation with a favorable "Do-Pass" recommendation.

Thank you for your consideration,

Jonathan Fortner

VP of Government Relations & External Affairs

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**BASIN ELECTRIC
POWER COOPERATIVE**

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Bill Number	Name	Lobbyist #	Support	Oppose	Neutral
HCR 3025	Jean Schafer, Basin Electric	8	X		

We Support this bill and would reiterate the testimony provided by the Lignite Energy Council.

2021 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HCR 3025

2/5/2021

Urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in ND and to increase support for research, development, and deployment for next generation carbon based energy generation.

9:23 AM

Present: Representatives Porter, Damschen, Anderson, Bosch, Devlin, Heinert, Keiser, Lefor, Marschall, Roers Jones, M Ruby, Zubke, and Ista. Absent: Rep Guggisberg

Rep M Ruby moved a Do Pass, seconded by Rep Heinert.

Representatives	Vote
Representative Todd Porter	Y
Representative Chuck Damschen	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Bill Devlin	Y
Representative Ron Guggisberg	AB
Representative Pat D. Heinert	Y
Representative Zachary Ista	Y
Representative George Keiser	Y
Representative Mike Lefor	Y
Representative Andrew Marschall	Y
Representative Shannon Roers Jones	Y
Representative Matthew Ruby	Y
Representative Denton Zubke	Y

Motion carried. 13 – 0 – 1 Rep M. Ruby is carrier.

9:25 AM

Kathleen Davis, Committee Clerk

REPORT OF STANDING COMMITTEE

HCR 3025: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR
3025 was placed on the Eleventh order on the calendar.

2021 SENATE ENERGY AND NATURAL RESOURCES

HCR 3025

2021 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

HCR 3025
3/5/2021

A concurrent resolution urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in North Dakota and to increase support for research, development, and deployment for next generation carbon-based energy generation.

Hearing called to order all Senators Present: **Roers, Bell, Schaible, Piepkorn, Patten, and Kreun.** [9:32]

Discussion Topics:

- Carbon Capture Technology
- Carbon Neutral Goals of the State of North Dakota

Rep. Dave Nehring, Testimony in Favor #7536 [9:33]

Jonathan Fortner, Lignite Energy Council - Testimony in Favor #7506 [9:37]

Senator Roers moved a DO PASS

Senator Bell Seconded the motion

Vote Passed 5-1-0

Senator Bell Carried

DO PASS ON HCR 3025	Vote
Senator Curt Kreun	Y
Senator Jim P. Roers	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	N
Senator Donald Schaible	Y
Senator Jessica Unruh Bell	Y

Additional written testimony:

Scott Skokos, Dakota Resource Council provided testimony in opposition #7472

Hearing Adjourned [10:17]

Dave Owen, Committee Clerk

REPORT OF STANDING COMMITTEE

HCR 3025: Energy and Natural Resources Committee (Sen. Kreun, Chairman)
recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HCR
3025 was placed on the Fourteenth order on the calendar.

Good Morning Chairman Kreun and members of the Energy and Natural Resources Committee

I am honored to be before you today to introduce House concurrent resolution 3025, a resolution urging the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in North Dakota, and to increase support for research, development and deployment for next generation carbon-based energy generation.

It's no secret to North Dakotans that affordable, reliable electrical generation has been good for all residents of our state. Our 3 coal counties have traditionally ranked at the top of the scale for the highest paying jobs in the state, and the lignite coal industry has provided a large number of high paying jobs. In addition, we've consistently ranked high in ambient air quality.

The quality of life, the close attention to environmental issues, the economics of North Dakota lignite are all excellent reasons to urge the current administration to consider these factors before implementing policy that will threaten this industry.

I'll take any questions.



March 5, 2021

Chairman Kreun and Senate Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in support of House Concurrent Resolution 3025. This resolution describes the status of the lignite industry and its contributions to the State of North Dakota, and factors impacting its ability to continue providing reliable, environmentally responsible, and affordable power to the Upper Midwest.

However, the real focus of this resolution is to urge our federal leaders to work with the state and industry to continue to develop real technological solutions to enable the continuation of coal-based generation in North Dakota. Under past administrations, the industry was put in a defensive position with respect to an onslaught of federal regulations, some well-intentioned but unworkable, and some intentionally aimed at stopping the mining and use of our coal resources. In the past six weeks, under the current administration – through executive orders targeting the fossil fuel industry – appears poised to resume the war on coal.

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The Lignite Energy Council appreciates Representative Nehring and the cosponsors of this resolution, and the North Dakota legislature for their continued support and recognition of the lignite industry's strong track record of success in providing affordable and reliable electricity, 13,000 jobs, and billions in economic activity to the State of North Dakota and the region.

For these reasons, the Lignite Energy Council supports HCR3025 and we respectfully ask that the committee provide this legislation with a favorable "Do-Pass" recommendation.

Thank you for your consideration,

Jonathan Fortner

VP of Government Relations & External Affairs



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Chairman Curt Kreun & members of the committee, my name is Scott Skokos and I am testifying on behalf of Dakota Resource Council and our members. Thank you for allowing me to submit written testimony in opposition to HCR 3025.

As drafted we find several issues with this resolution.

First, the claim in this resolution that there are more than 900 years of economically recoverable coal is unclear because there is no source for that information. Even the energy information administration (EIA) does not make such a claim about US coal reserves. They assert based on recent data relating to recoverable coal that the US has 357 years left of coal, and only 20 years left of coal at current mines¹. Regardless of the claim surrounding the number of years of coal in reserve, it is unlikely that the United States and the world, for that matter, will be using coal for the next 900 years. With climate change becoming more and more of an issue there will be no need to continue mining coal to generate electricity 900 years from today due to the possible climate impacts of burning fossil fuels.

Second, the claim stating that the coal industry provides 13,000 jobs is in our view not accurate. We are guessing that what was meant to be stated in the resolution was that coal provides 13,000 direct and indirect jobs, but to make the claim that the industry fully employs 13,000 people is our view not accurate.

Third, the resolution appears to claim that coal is not subsidized, despite the fact that historically coal has been subsidized in a variety of ways. In fact many of the power plants and the Dakota Gasification Plant were built with financing from low interest federal loans. In addition, coal does not pay for many of its externalities caused by the air pollution it creates which damages air quality and human health.

Fourth, the resolution claims that other energy industries are being propped up by federal policies, though this has some truth, it is in our view more a matter of coal losing in the free market. In fact investors now look at wind or solar as a better investments in some cases than coal even without subsidies.²

Lastly, we disagree that carbon capture and storage (CCS) will be the solution to all of North Dakota's energy issues. In fact, the majority of CCS projects have not worked and cost taxpayers billions of dollars. Take for example the Petra Nova CCS project in Texas, which was recently mothballed after not meeting expectations. The project cost a total of 1 billion dollars, 182 million dollars of that money coming from federal loans³. If Petra Nova and the several other failed CCS projects from the last 15 years are any indication for the future, then in our view the future of CCS projects does not look promising.

Thank you for the opportunity to share our testimony. I urge the committee to oppose HCR 3025 and recommend a DO NOT PASS on HCR 3025

¹<https://www.eia.gov/energyexplained/coal/how-much-coal-is-left.php#:~:text=Based%20on%20U.S.%20coal%20production,would%20last%20about%2020%20years.>

² <https://www.lazard.com/perspective/levelized-cost-of-energy-and-levelized-cost-of-storage-2020/>

³<https://ieefa.org/ieefa-u-s-mothballing-of-petra-nova-carbon-capture-project-shows-likely-fate-of-other-coal-fire-d-ccs-initiatives/>