



ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Monday, December 18, 2023
Harvest Room, State Capitol
Bismarck, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators David Hogue, Brad Bekkedahl, Keith Boehm, Dale Patten, Merrill Piepkorn; Representatives Dick Anderson, Mike Brandenburg, Alisa Mitskog, Corey Mock, Don Vigesaa

Members absent: Senator Ryan Braunberger; Representative Todd Porter

Others present: Ms. Julie Fedorchak, Mr. Randy Christmann, and Ms. Sheri Haugen-Hoffart, Commissioners, Public Service Commission

See [Appendix A](#) for additional persons present.

It was moved by Representative Vigesaa, seconded by Senator Bekkedahl, and carried on a voice vote that the minutes of the August 7, 2023, meeting be approved as distributed.

Chairman Hogue appointed Senator Patten as Vice Chairman for this meeting.

NATURAL GAS ACCESSIBILITY IN SMALL COMMUNITIES STUDY

Mr. Christopher S. Joseph, Senior Counsel, Legislative Council, presented a memorandum entitled [Natural Gas Accessibility - Background Memorandum](#). He noted the memorandum:

- Provides the legislative history of Section 1 of Senate Bill No. 2366 (2023), which directed the Legislative Management to study accessibility of natural gas in small communities.
- Includes information on the study guidelines, prior interim studies related to natural gas and propane, infrastructure cost ranges, and applicable state tax incentives.

Mr. Justin Kringstad, Executive Director, North Dakota Pipeline Authority, provided testimony ([Appendix B](#)) regarding natural gas accessibility and transmission needs in the state.

Mr. Jay Standish, Mayor, New Town, provided testimony ([Appendix C](#)) regarding natural gas accessibility and transmission in small communities. He noted:

- He supports increased access to natural gas for all small cities and communities because ease of access to natural gas increases economic development opportunities which, in turn, attract more businesses and people to a community.
- North Dakota has a history of supporting transmission projects exporting gas out of the state; however, that support should be redirected toward distribution projects benefiting North Dakotans.

Ms. Kelly Woessner, Auditor, City of Parshall, provided testimony ([Appendix D](#)) regarding natural gas accessibility and transmission in small communities.

Mr. Larry Oswald, Director, Business Development & Energy Services, Montana-Dakota Utilities, provided testimony ([Appendix E](#)) regarding natural gas service in the state, and costs and other barriers to delivering natural gas to communities. He noted:

- Montana-Dakota Utilities has 1,180,770 electric and natural gas customers across 459 communities.

- The benefits of natural gas include reliability, resilience, abundant supply, and lower energy costs.
- Barriers to providing natural gas to smaller cities include the distance between the pipeline and the community, interconnection costs, population densities, conversion rates, and customer connection costs.
- Montana-Dakota Utilities has tentative plans to expand natural gas service to Kindred, Colfax, and Walcott beginning in fall 2024 and continuing into 2025.

Ms. Kristine Anderson, Regulatory Affairs & Corporate Counsel, Dakota Natural Gas, LLC, provided testimony ([Appendix F](#)) regarding natural gas accessibility in the state.

Ms. Rachel Iverson Schafer, Director of Program Administration, Department of Health and Human Services, provided testimony ([Appendix G](#)) relating to the low income home energy assistance program (LIHEAP). She noted:

- LIHEAP helps eligible families with home heating and weatherization costs.
- LIHEAP pays a portion of the cost of natural gas, electricity, propane, fuel oil, coal, wood, or other fuel sources used for home heating.
- Households eligible for LIHEAP include those whose rent payments include the cost of heat if the household is not receiving housing assistance or residing in subsidized housing, those who have difficulty paying fuel bills due to other rising costs and are in danger of losing their heating source, and those who have received a shutoff notice, had their heat shut off, or run out of fuel.
- LIHEAP currently supports 14,200 households in North Dakota.

Mr. Granville Brinkman, Economic Development Director, Beulah, and Mercer County Economic Development Chair, provided testimony ([Appendix H](#)) regarding the loss of large industrial and commercial projects in Mercer County to other states and other regions in North Dakota because of the county's lack of accessibility to natural gas.

SUSTAINABLE ENERGY POLICIES STUDY

The Public Service Commission joined the committee for its discussion on sustainable energy policies.

Mr. Claire Vigesaa, Executive Director, North Dakota Transmission Authority, provided testimony ([Appendix I](#)) regarding transmission infrastructure. He noted:

- Factors impacting grid reliability include natural disasters, cybersecurity threats, electric generation adequacy, maintenance issues, and the operation of the grid.
- [The 2023-24 Winter Reliability Assessment](#) indicated a large portion of the North American bulk power system is at risk of insufficient electricity supply during peak winter conditions.
- Prolonged, geographically expansive cold snaps threaten the reliability of bulk power system generation and the availability of natural gas used by many generators. System operators might face a sharp, simultaneous increase in demand, resulting in a constrained supply, as electric heating systems consume more power in cold temperatures.
- Areas of natural gas transmission congestion include the Bakken and Southeast North Dakota.

Mr. Jeff Merrifield, former Commissioner, United States Nuclear Regulatory Commission, provided testimony ([Appendix J](#)) regarding advanced nuclear energy. He noted:

- In December 2023, the United Arab Emirates announced its intent to transition from the use of fossil fuels to achieve net zero use by 2050. Twenty-four countries, including the United States, have committed to tripling their use of nuclear energy by 2050.
- 53 countries operate 223 research reactors, and more than 200 nuclear reactors power over 160 ships and submarines worldwide. Over 50 countries are considering new nuclear programs.
- There are over 420 nuclear reactors worldwide in more than 33 countries, and the United States is the largest operator with 94 nuclear units.
- Commercial and regulatory benefits of nuclear energy include scalability to meet incremental growth in electric demand and greater flexibility for additional applications, including re-powering existing fossil fuel sites; processing heat for industrial applications, water purification, and desalination; and hydrogen production.

No further business appearing, acting Vice Chairman Patten adjourned the meeting at 3:15 p.m.

Christopher S. Joseph
Senior Counsel

ATTACH:10