

2023 HOUSE ENERGY AND NATURAL RESOURCES

HB 1234

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

HB 1234
1/27/2023

Relating to prohibiting a political subdivision from prohibiting the connection or reconnection of utilities services

9:10 AM

Chairman Porter opened the hearing. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Dockter, Hagert, Heinert, Ista, Marschall, Novak, Olson, Roers Jones, and Ruby. Absent: Representatives Kasper, Conmy,

Discussion Topics:

- Limited fuel sources
- Natural gas use

Representative Pat Heinert, District 32, Introduced HB1234.

Carlee McLeod, President of Utility Shareholders of North Dakota, Support, Testimony 17317

Todd Kranda, attorney, Kelsch, Kelsch, Ruff & Kranda Law Firm, oral testimony

Ron Ness, President of ND Petroleum Council in support, oral testimony

Mike Rud, executive director ND Propane Gas Association, in support, oral testimony

Andrea Pfennig, Director of ND Greater Chamber, testimony #20902

Additional written testimony:

Kayla Pulvermacher, NDAB 17307

9:21AM Chairman Porter closed the hearing.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

HB 1234
1/27/2023

Relating to prohibiting a political subdivision from prohibiting the connection or reconnection of utilities services

10:17AM

Chairman Porter opened the hearing. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Dockter, Hagert, Heinert, Ista, Marschall, Novak, Olson, Roers Jones, Conmy and Ruby. Absent: Representatives Kasper

Discussion Topics:

- Proposed amendment
- Committee action

Representative Heinert moved to adopt proposed amendments to HB 1234. #18210
Representative Ruby Seconded.
Voice Vote Motion carried.

Representative Olson moves a Do Pass as amended.
Representative Hagert seconded the motion.

Roll Call Vote:

Representatives	Vote
Representative Todd Porter	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Liz Conmy	Y
Representative Jason Dockter	Y
Representative Jared Hagert	Y
Representative Pat D. Heinert	Y
Representative Zachary Ista	Y
Representative Jim Kasper	AB
Representative Andrew Marschall	Y
Representative Anna S. Novak	Y
Representative Jeremy Olson	Y
Representative Shannon Roers Jones	AB
Representative Matthew Ruby	Y

Motion carried 12-0-2.

Representative Bosch carrier.

10:20 AM Chairman Porter closed the hearing.

Kathleen Davis, Committee Clerk

January 27, 2023

1-27-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1234

Page 1, line 2, replace "political subdivision" with "county or city"

Page 1, line 8, replace "political subdivision" with "county"

Page 1, line 11, after "service" insert "based on fuel source"

Page 1, line 15, replace "political subdivision" with "city"

Page 1, line 18, after "service" insert "based on fuel source"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1234: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1234 was placed
on the Sixth order on the calendar.

Page 1, line 2, replace "political subdivision" with "county or city"

Page 1, line 8, replace "political subdivision" with "county"

Page 1, line 11, after "service" insert "based on fuel source"

Page 1, line 15, replace "political subdivision" with "city"

Page 1, line 18, after "service" insert "based on fuel source"

Renumber accordingly

2023 SENATE INDUSTRY AND BUSINESS

HB 1234

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1234
3/8/2023

A bill relating to prohibiting a county or city from prohibiting the connection or reconnection of utilities services.
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9:00 AM Chairman D. Larsen called the meeting to order.

Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Propane and natural gas
- People's choice bill
- Fossil fuels under attack

9:00 AM Carlee McCloud, Utilities of North Dakota, testified in favor of HB 1234. #22718

9:09 AM Mike Rud, Executive Director of Propane Gas Association, testified in favor of HB 1234. No written testimony

9:11 AM Todd Kranda, Kelsch Kranda Law Office, testified in favor of HB 1234. No written testimony

9:12 AM Andrea Pfennig, Greater North Dakota Chamber, testified in favor. #22796

9:14 AM Chairman D. Larsen closed the hearing on HB 1234.

9:14 AM Klein moved to DO PASS HB 1234. Senator Kessel seconded the motion.

Roll call vote:

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Vote: 5-0-0 Motion Passed HB 1234.

Senator Boehm will carry the bill.

Additional written testimony:

22721 Deb Birgen

9:14 AM Chairman D. Larsen adjourned the meeting.

Brenda Cook, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1234, as engrossed: Industry and Business Committee (Sen. Larsen, Chairman)
recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1234 was placed on the Fourteenth order on the calendar. This bill
does not affect workforce development.

TESTIMONY

HB 1234

TESTIMONY



JANUARY 27, 2023

HB 1234 HOUSE ENERGY & NATURAL RESOURCES COMMITTEE

Mr. Chairman and members of the committee:

My name is Kayla Pulvermacher, and I represent the North Dakota Association of Builders (NDAB). NDAB represents our state's homebuilding industry with 1500 members across North Dakota. The North Dakota Association of Builders stands in support of HB 1234.

To date, 34 states have released a climate action plan or are in the process of revising or developing one; many states are moving toward the development of "net zero" or "net zero ready" energy codes for new and remodeled buildings. Individual communities throughout the country are attempting to ban the use of natural gas in new and renovated buildings in favor of fully electrified homes. Our builders believe that providing safe and affordable housing is of fundamental importance to the lives of all citizens and future generations of Americans and a clean environment is beneficial for the health and safety of all. That said, it should not be done through burdensome regulations and government mandates.

Thank you, Mr. Chairman, for the opportunity to voice our support.



PO Box 1856
Bismarck, ND 58502
701-258-8864
1-800-981-5132
www.usnd.org

House Bill 1234 Testimony in Support

House Energy and Natural Resources Committee, Representative Porter, Chair

January 27, 2023

Chairman Porter, members of the committee, I am Carlee McLeod, president of the Utility Shareholders of North Dakota, here on behalf of USND utility members, including ALLETE, Montana-Dakota Utilities, Otter Tail Power, and Xcel Energy. We ask you to support HB 1234 and the amendments offered today by the bill sponsor.

There is a growing movement across the country by which political subdivisions use ordinances or other policies to prohibit the use of natural gas. The bans vary by area and generally target the use of natural gas in residences or businesses. Some target certain classifications of buildings, some others target new construction, while others restrict new natural gas extensions in communities. One common tactic is to use modifications to local building and energy codes that have the effect of banning natural gas.

This bill and its companion bill HB 1124 protect the right of individuals and businesses to choose which energy source works best for them. Twenty states have approved such legislation, with more states working through the legislative process currently. There are various benefits to natural gas as a fuel source. For example, natural gas is a more economic fuel choice over all-electric service.

Natural gas plays a central role in economic development, and there is a strong desire of unserved and underserved communities to gain natural gas service. Passing this legislation would provide certainty to individuals, businesses, and industries that rely on continued use of natural gas, those who are working to locate to places where natural gas service is available, and those communities seeking to gain service. Without that certainty, new businesses may choose to locate in states where natural gas use is protected.

We ask for your support of House Bill 1234 for the certainty and protection it provides to citizens who choose natural gas.

Thank you.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1234

Page 1, line 2, replace "political subdivision" with "county or city"

Page 1, line 8, replace "political subdivision" with "county"

Page 1, line 11, after "service" insert "based on fuel source"

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GREATER NORTH DAKOTA CHAMBER
HB 1234
House Energy & Natural Resources Committee
Chairman Todd Porter
January 22, 2023

Mr. Chairman and members of the Committee, my name is Andrea Pfennig with the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of House Bill 1234.

Our members support pro-business policies that improve the legal and regulatory environment, maintain consistency, promote growth, and lower business costs. We feel that HB 1234 helps accomplish that by supporting the free market system, which includes the freedom to participate. The decision to produce or consume a particular product is voluntary.

Additionally, HB 1234 helps support a consistent regulatory environment by providing a comprehensive approach across the state.

In conclusion, we urge a Do Pass recommendation.



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House Bill 1234 Testimony in Support

Senate Industry and Business Committee, Senator Larsen, Chair

March 8, 2023

Chairman Larsen, members of the committee, I am Carlee McLeod, president of the Utility Shareholders of North Dakota, here on behalf of USND utility members, including ALLETE, Montana-Dakota Utilities, Otter Tail Power, and Xcel Energy. We ask you to support HB.

There is a growing movement across the country by which political subdivisions use ordinances or other policies to prohibit the use of natural gas. The bans vary by area and generally target the use of natural gas in residences or businesses. Some target certain classifications of buildings, some others target new construction, while others restrict new natural gas extensions in communities. One common tactic is to use modifications to local building and energy codes that have the effect of banning natural gas.

This bill protects the right of individuals and businesses to choose which energy source works best for them. Twenty states have approved such legislation, with more states working through the legislative process currently.

There are various benefits to natural gas as a fuel source. For example, natural gas is a more economic fuel choice over all-electric service. Natural gas plays a central role in economic development, and there is a strong desire of unserved and underserved communities to gain natural gas service. Passing this legislation would provide certainty to individuals, businesses, and industries that rely on continued use of natural gas, those who are working to locate to places where natural gas service is available, and those communities seeking to gain service. Without that certainty, new businesses may choose to locate in states where natural gas use is protected.

We ask for your support of House Bill 1234 for the certainty and protection it provides to citizens who choose natural gas.

Thank you.

**Testimony in Support of
Engrossed HB 1234
Senate Industry and Business
March 8, 2023**

Good morning, Chairman Larsen, Members of the Senate Industry and Business Committee, my name is Deb Birgen. I serve as the Director of Legislative and Government Relations for Missouri River Energy Services (MRES). I would like to thank the Chairman and the committee members for allowing me to submit my testimony in writing. I am submitting this testimony through our MRES lobbyist, Todd D. Kranda (#58), who is an attorney with the Kelsch Ruff Kranda Nagle & Ludwig Law Firm in Mandan.

I am testifying on behalf of MRES which is a municipal power agency that provides wholesale electricity and other services to six member communities and one associate municipal electric member in this state, including Cavalier, Hillsboro, Lakota, Maddock, Northwood, Riverdale and Valley City. MRES appears before you today to voice support for Engrossed HB 1234.

As many of you know, some states and cities have banned the interconnection on natural gas in new housing and construction. Likewise, there is an on-going discussion to discontinue the sale on natural gas fueled appliances like natural gas stoves, water heaters, boilers, and other equipment. HB 1234 would prohibit local government units, including cities from imposing a ban on interconnection natural gas, as well as other fuel sources. MRES supports HB 1234.

First, let me state that MRES is aware that this is a ban on a local government unit taking an action. As a municipal power agency representing municipal electric utilities,

MRES generally supports local control. In particular, MRES believes that the customer-owners of a municipal utility should be in control of the future of their municipal-owned utility, the policies that govern it, and how the utility is operated. However, as supporters of an all-of-the above resource portfolio for electric utilities, MRES supports HB 1234 as it continues to promote an all-of-the above perspective when it comes to resource and fuel use.

Banning natural gas, or banning any specific fuel, would not only negatively impact local business, customers, and communities; it also threatens to take away the right of the people to choose their energy. As the country looks to electrify the grid, natural gas is still needed for reliable energy and to make up for the intermittent nature of renewable energy sources that are being interconnected. Likewise, in the home, in businesses, and in other aspects of life, customers should continue to be given a choice of the type of appliances and the fuel used to operate them in their homes and businesses. What is the best fuel choice or the choice that offers the most benefits or efficiencies for a consumer will differ based on the type of equipment, the amount used, supply chains, market pricing, and other factors.

Therefore, I would urge a **DO PASS** recommendation for **Engrossed HB 1234**.



GREATER NORTH DAKOTA CHAMBER
HB 1234
Senate Industry & Business Committee
Chairman Doug Larsen
March 7, 2023

Mr. Chairman and members of the Committee, my name is Andrea Pfennig with the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of House Bill 1234.

Our members support pro-business policies that improve the legal and regulatory environment, maintain consistency, promote growth, and lower business costs. We feel that HB 1234 helps accomplish that by supporting the free market system, which includes the freedom to participate. The decision to produce or consume a particular product is voluntary.

Additionally, HB 1234 helps support a consistent regulatory environment by providing a comprehensive approach across the state.

In conclusion, we urge a Do Pass recommendation.