

2023 SENATE ENERGY AND NATURAL RESOURCES

SB 2165

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2165
1/19/2023

A bill relating to duties of the energy policy commission; to provide an appropriation; and to provide for a transfer.
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9:59 AM Vice Chairman Magrum opened the hearing.

Chairman Patten, Senators Magrum, Beard, Boehm, Kannianen, and Kessel were present.

Discussion Topics:

- Grant programs
- Loan programs

10:00 AM Senator Patten introduced SB 2165.

10:03 AM Jonathan Fortner, VP of Government Relations, Lignite Energy Counsel, testified. #14459

Additional written testimony:

Brian Ritter, President & CEO of the Bismarck Mandan Chamber EDC. #14311

Carlee McLeod, President of the Utility Shareholders of North Dakota. #14414

Gerald Bachmeier, President of the North Dakota Ethanol Producers Association. #14434

10:05 AM Chairman Patten closed the hearing.

Patricia Wilkens, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2165
2/2/2023

A bill relating to duties of the energy policy commission; to provide an appropriation; and to provide for a transfer.
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9:11 AM Chairman Patten opened the meeting.

Present are Chairman Patten and Senators Kessel, Kannianen, Boehm and Beard. Senator Magrum is absent.

Discussion Topics:

- Committee action

9:17 AM Senator Kannianen moved to Do Pass the bill and rerefer to appropriations committee. The motion was seconded by Senator Kessel.

9:17 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	AB
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passes with 5-0-1

Senator Kannianen will carry the bill.

This bill does affect workforce development.

9:19 PM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2165: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2165 was rereferred to the **Appropriations Committee**. This bill affects workforce development.

2023 SENATE APPROPRIATIONS

SB 2165

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2165
2/15/2023

A BILL for an Act relating to duties of the energy policy commission; to provide an appropriation; and to provide for a transfer.

8:46 AM Chairman Bekkedahl opened the meeting on SB 2165.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

- Energy Policy Commission
- Clean sustainable energy fund
- Line of credit

8:48 AM Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, introduced the bill, no written testimony

9:06 AM Senator Bill Patten, introduced the bill, no written testimony

9:32 AM Chairman Bekkedahl closed the meeting.

Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2165
2/17/2023

Relating to duties of the energy policy commission; to provide an appropriation; and to provide for a transfer.

10:57 AM Chairman Bekkedahl opened the meeting.

Members present: **Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.**

Discussion Topics:

- Committee Action

11:00 AM Senator Vedaa moved DO NOT PASS

11:00 AM Senator Davison seconded.

11:00 AM Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y
Senator Rust	Y

Passed 16-0-0

Senator Sorvaag will carry the bill.

11:01 AM Chairman Bekkedahl closed the meeting.

Peter Gualandri on behalf of Kathleen Hall, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2165: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO NOT PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2165 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE ENERGY AND NATURAL RESOURCES

SB 2165

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2165
3/10/2023

Relating to membership of the clean sustainable energy authority.

9:55 AM

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

Discussion Topics:

- Board members

Rep Bosch, District 30, introduced SB 2165, oral testimony

9:58 AM Chairman Porter closed the hearing.

Rep Ista moved a Do Pass on SB 2165, seconded by Rep. Olson.

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

10-0-4 Motion carried. Rep Bosch is carrier.

10:00 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2165, as engrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends DO PASS (10 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SB 2165 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2165



Senate Energy and Natural Resources Committee – SB 2165

Senator Dale Patten, Chair

January 19, 2023

Chairman Patten, Members of the Committee:

My name is Brian Ritter and I'm the President & CEO of the Bismarck Mandan Chamber EDC. Please accept the following testimony on behalf of our organization's more than 1,200 business members in support of SB 2165.

Bismarck-Mandan's economy is built upon a diverse number of industries, including: government, healthcare, education and energy. That fact is acknowledged and formalized in our organization's 2023 Legislative Agenda where we state our support for, *"Increased levels of funding for the grants and loans made available under the State's Clean Sustainable Energy Authority."*

Section 2 of SB 2165 does just that by making \$300 million available for loan guarantees authorized by the Clean Sustainable Energy Authority. Additionally, that same section makes another \$50 million available for grants as determined by the Clean Sustainable Energy Authority, as well. Whether as a grant or as a loan, these dollars will be a tremendous help to our State's energy producers as they look to innovate their operations even further.

As such, I would respectfully ask that the Committee give a DO PASS recommendation to SB 2165.



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Senate Bill 2165 Testimony in Support

Senate Energy and Natural Resources Committee, Senator Patten, Chair

January 19, 2023

Chairman Patten, members of the committee, I am Carlee McLeod, president of the Utility Shareholders of North Dakota. On behalf North Dakota's investor-owned utilities, we ask you to support SB 2165.

North Dakota has been blessed with an abundance of natural resources which combine to provide significantly more energy than the citizens and businesses of the state consume. Despite energy being produced by some of the cleanest methods available to each industry, there's so much more on the horizon to be developed in order to preserve and expand our energy production capabilities. We support the additional funding proposed in this bill. We are confident the state will see significant return on investment in the form of new technologies from the projects the authority determines worthy.

We urge you to support SB 2165.

Thank you.





Testimony of Gerald Bachmeier
CEO, Red Trail Energy
President, North Dakota Ethanol Producers Association

In Support of SB 2165
January 19, 2023

Chairman Patten and members of the committee:

My name is Gerald Bachmeier, and I am the president of the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants and industry stakeholders. On behalf of NDEPA, I want to voice support for SB 2165, specifically adding \$300 million to the Clean Sustainable Energy Authority (CSEA) fund.

North Dakota's ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs. Thanks to North Dakota's innovative private sector and supportive state government, the state's ethanol production capacity is 550 million gallons per year, which is more than five times the production a decade ago.

The North Dakota ethanol industry greatly appreciates your establishment of CSEA during the 2021 Legislative Session. Over the past biennium, it has proven to be an effective tool in enhancing the production of clean sustainable energy, making the state a world leader in the production of clean sustainable energy, and diversifying and growing the state's economy. As implementation of the program continues, it will be essential to ensure all industries have equal access to the funding recognizing the numerous opportunities for all of the energy sectors.

Currently, the North Dakota ethanol industry produces 18 pounds of CO₂ for every bushel of corn processed. While the rest of the nation has talked about carbon capture and

sequestration, North Dakota's ethanol industry has led the nation in doing it. This has provided significant opportunities for the state's ethanol industry as well as creating positive economic impact to the state.

CSEA has played an important role in advancing numerous technologies that provide additional market opportunities and ensure sustainability for North Dakota's ethanol industry. Midwest AgEnergy received a CSEA loan for commercial deployment of carbon dioxide capture and geological sequestration at its Blue Flint plant near Underwood. It's carbon capture and storage project will be operational summer of 2023.

We thank you for your support of the state's ethanol industry in the past and urge your favorable consideration of SB 2165, specifically the additional funding for the Clean Sustainable Energy Authority.



January 18, 2023

Chairman Patten and Senate Energy and Natural Resources Committee Members,

On behalf of the members of the Lignite Energy Council (LEC), I am submitting testimony today in support of Senate Bill 2165 that makes changes to the energy policy commission and for the proposed funding to the Clean Sustainable Energy Fund.

The LEC believes that the changes to the energy policy commission found in Section 1 of the bill clarifies that the commission should be focused on making recommendations that improve the availability of affordable and reliable energy production in North Dakota and expands value-added energy products to diversify our state's natural resource-based industries.

We are also supportive that there should be work performed by the commission to make recommendations on a forward-looking comprehensive energy policy to support a stable electrical grid. This proposal is timely as our country is facing a time period in which there have been increasing electric grid max generation events and reliability concerns in the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) regional electricity transmission grids.

The LEC supports the appropriation to the Clean Sustainable Energy Authority which has been active in advancing research and development projects with grant funding and with carbon capture use and sequestration technologies with commercialization loan funding. There are two large carbon capture projects that are close to moving forward into the commercialization phase who have been working with CSEF in the last biennium that would be greatly assisted with additional funding opportunities in the future.

For these reasons, the Lignite Energy Council supports SB 2165 and we respectfully ask that the committee provide this legislation with a favorable "Do-Pass" recommendation.

Thank you for your consideration,

Jonathan Fortner
Vice President of Government Relations and External Affairs

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