

Western Dakota Energy Association Legislative Report, March 25, 2017 Geoff Simon, Executive Director

The House Energy and Natural Resources Committee this week approved an amended version of <u>SB 2286</u> on a 13-0 vote. The bill would expand the Public Service Commission's siting process to incorporate conditions required by local planning and zoning boards. It essentially consolidates the PSC hearing and county/township hearings into a single proceeding. Industry interests have been frustrated by the current siting process which now requires a pipeline company to obtain its construction permit from the PSC, then meet with local planning and zoning boards to obtain a conditional use permit before it can proceed with the project. This legislation would eliminate that final step, so it will be crucial that local boards and affected landowners engage in the PSC siting process to ensure their concerns are addressed. The bill will be considered by the full House next week, and if approved will have to return to the Senate for concurrence.

The full Senate will act next week on HB 1320, which received unanimous approval Thursday in the Senate Transportation Committee. The legislation is one of WDEA's top priorities this session, and will improve operation of the association's Uniform Truck Permit System. The bill is the result of a working group that included WDEA, the ND Petroleum Council, the ND Association of Counties, the ND Motor Carriers Association, the ND Association of Township Officers, several energy industry players and a few legislators. HB 1320 accomplishes several objectives identified by a legislative committee that studied overweight truck permitting during the 2015-17 interim:

- 1) It establishes a truly uniform system by ensuring the participation of all political subdivisions in a county.
- 2) It provides for notification and public input if and when fee changes are proposed.
- 3) It allows additional fees, usually a road repair agreement, when those agreements make sense.
- 4) It provides counties and the uniform permit system an enforcement tool to discourage damage to roads during inclement weather or other times when weight restrictions are in place.

A pilot program of the ND Department of Agriculture will be made permanent under a bill approved on an 80-11 vote in the House. SB 2236 authorizes the continuation of the department's pipeline restoration and reclamation oversight program, which connects landowners and tenants experiencing reclamation issues with an independent ombudsman. After notification of an issue, the ombudsman conducts an on-site inspection with the landowner to assess the situation. The site visit is followed up with a written report, after which the pipeline company is notified of the findings. The department then works with all parties to resolve the issues. The program also provides advice to landowners with things such as pipeline routing, soil impacts, the type of vegetation being reestablished, timelines and other issues before signing surface use agreements.

Landowners in Bottineau and Renville counties may soon get some help dealing with legacy brine pits left behind by decades-old oil drilling operations. The Department of Mineral Resources, in cooperation with NDSU, has identified more than 100 of the salty ponds scattered about north central North Dakota. Legislation awaiting action in the Senate Appropriations Committee is aimed at figuring out the best way to deal with the problem. HB 1347, would appropriate \$5 million over the coming biennium to examine the issue. The bill also provides \$500,000 to DMR to work with UND's Energy and Environmental Research Center to continue a study regarding pipeline leak detection technology.

Discussions continue behind the scenes regarding funding the needs of cities, counties and school districts in the oil-producing counties. Earlier this session the House defeated the Hub City bill that would have provided funding to Williston, Dickinson and Minot, as well as fulfilling remaining oil impact grant commitments not funded during the current biennium. The list includes nearly \$40 million for the new Williston airport, another \$5 million for airport improvements in Dickinson and \$15 million that would be divided among schools in the oil-producing counties. An amendment has been drafted to address those funding needs, but it's uncertain when legislators will take action. Typically, major funding decisions are not made until the final days of the session. Legislative leaders have said they hope to wrap up in 70 days instead of 80 allowed by the state constitution, saving 10 days in the event they need to reconvene to address budgetary or emergency matters. That 70-day timeline would have lawmakers wrapping up their business the week after Easter.