



**Western Dakota Energy Association
Legislative Report #1, January 9, 2021
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The 2021 Legislature gavelled in Tuesday, January 5, kicking off what is certain to be a session like no other. Legislative Management instituted a mask rule to minimize the risk of a COVID-19 outbreak. Governor Doug Burgum and First Lady Kathryn Helgaas Burgum are pictured here sporting their masks as they approach the House Chamber where the governor delivered his state-of-the-state message. The speech was especially upbeat given the events of the past year. Gov. Burgum expressed his gratitude to health care workers, teachers and other professionals for their response to the pandemic. The main body of his speech focused on his vision for growing the state's economy, citing opportunities to diversify the energy sector, capitalizing on research into new technologies to capture carbon dioxide and enhance oil production in the Bakken. The governor unveiled plans for a \$1.25 billion [bonding program](#) in his budget address in December, and he re-emphasized his belief that the investments would jumpstart the state coming out of the pandemic.

Bonding will be a major issue this session. Republican legislators led by Senate Majority Leader Rich Wardner from Dickinson and Rep. Todd Porter from Mandan introduced a \$1.1 billion bonding proposal on Wednesday. They were backed by several lobbyists representing industry groups that support the plan. About half of the revenue generated by Gov. Burgum's plan would support low-interest loan programs for infrastructure projects. But the legislators' proposal is heavy on grants to support a wide range of infrastructure investments. The list includes: \$250 million for major water and flood control projects, \$50 million for a water project revolving loan fund, \$60 million for bridges via the ND DOT, \$100 million for highway corridor projects (including Hwy 85), \$50 million for carbon capture research and \$141 million to non-oil cities and counties to make good on funding not realized by the 2019 Operation Prairie Dog bill. Democrats have also proposed a bonding plan, announcing on Thursday a \$2 billion proposal with a 25-year payback instead of 20 years. There will be some give-and-take among the competing plans, but with interest rates at historic lows, it would seem obvious that legislators will take advantage of the financial markets to make substantial investments in the state.

Legislation has not yet been introduced, but there is talk behind the scenes of a package of bills aimed at supporting the lignite industry. Governor Burgum and legislative leaders are solidly behind efforts to preserve the operation of Coal Creek Station, the 1,100-megawatt coal plant near Underwood that owner Great River Energy announced last year it intends to shut down at the end of 2022. State officials, led by Lt. Governor Brent Sanford, have indicated there are at least two potential buyers interested in the facility. Legislation would likely provide funding for ongoing research into carbon capture projects, and establish a low-interest loan fund to finance their development.

By week's end, a total of 327 House and Senate bills had been introduced, along with six concurrent resolutions. Bill filing will get underway in earnest next week as deadlines begin to approach. January 18 is the deadline for House members to introduce bills, and January 25 is the deadline for Senators. If past sessions are any indication, there will be close to 1,000 bills filed before the last deadline arrives.

One of the more recent bills introduced ([HB 1149](#)) would provide a \$100 million appropriation to liquified natural gas pilot projects. A companion bill ([HB 1159](#)) would appropriate \$100 million to provide grants to support natural gas infrastructure development. With an abundance of natural gas production in the state, and nearly two dozen cities with a population of 1,000 or more without natural gas service, the legislation may draw considerable support.

Several pieces of legislation are aimed at protecting individual rights in response to executive orders at both the state and federal level in response to the pandemic. One of the latest is [HB 1164](#), which states that "a political subdivision, or any other publicly funded organization may not implement an executive order that restricts a person's rights or that the attorney general determines to be unconstitutional ... and which relates to: a. Pandemics or other health emergencies; b. The regulation of natural resources, including coal and oil; c. The regulation of the agriculture industry; d. The use of land; e. The regulation of the financial sector as it relates to environmental, social, or governance standards; or f. The regulation of the constitutional right to keep and bear arms."

Initial hearings on several state agency budgets next week will be of interest to WDEA members, include the NDDOT budget ([SB 2012](#)), the Industrial Commission ([SB 2014](#)), the state Lands Department ([SB 2013](#)), and DEQ ([SB 2024](#)).