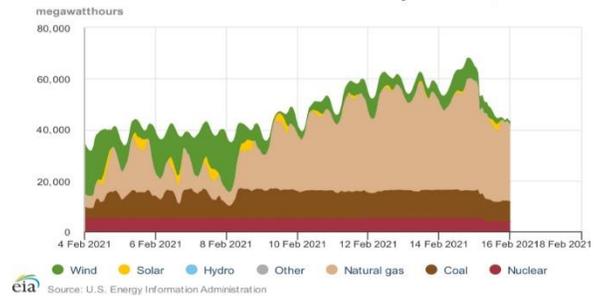




**Western Dakota Energy Association
Legislative Report #7, February 20, 2021
[Geoff Simon](#), Executive Director**

The Bullet Hit This Time: February 15 – 17, 2022



The [graph](#) on the right shows what a blackout looks like. It was part of a slide presentation from Mike Nasi, a resident of Austin, Texas, who represents [Life:Powered](#). Nasi made a presentation this week to the Senate Energy and Natural Resources Committee to explain the Texas blackout. His presentation included a warning to North Dakotans that a similar threat exists on the [MISO](#) and [Southwest Power Pool](#) grids, which serve the state. The drop off on the right side of the graph indicates the electric load lost due to the blackout. Nasi explained that as wind turbines iced up and went offline, the Texas grid operator ERCOT was slow to respond. He said load should have been curtailed, but because it wasn't, the drop in voltage caused failsafe systems to trip some of the state's coal and natural gas fired baseload facilities, and the resulting loss of generating capacity knocked out power to millions of customers. The Senate committee approved a [watered-down](#) version of [SB 2313](#), the original version of which would have required owners of intermittent power sources to "firm" that capacity. Click [here](#) to see Nasi's presentation, and [here](#) for the hearing video.

One of the final acts of the House in Week 7 was passage of [HB 1431](#), a downsized version of a bonding bill. Original proposals would have addressed many of the state's needs from highways to tech ed, but the \$680 million version approved this week on a 74-17 vote provides funding primarily for the Fargo and Minot flood control projects. The bill directs \$435 million to the Fargo diversion project, thereby freeing up revenue for other projects in the state Resources Trust Fund. The bill also contains \$74.5 million for the Mouse River flood control project, \$50 million will go to the infrastructure revolving loan fund, \$70 million to the highway fund, and \$50 million to NDSU for an agriculture products development center including a northern crops institute project. The bill also provides an appropriation to repay loans issued to the Western Area Water Supply Authority from the Resources Trust Fund. Many lawmakers were disappointed with the scaled-down version of the bill, so it's likely to be beefed back up when it arrives in the Senate.

Several other prominent bills are awaiting action in the House. One of those is [HB 1380](#), the so-called "streams bill" that would allocate future Legacy Fund earnings to various categories. An amendment has been proposed to the legislation that would remove many of those streams, so some are now jokingly calling it the "trickle bill." Another important piece of legislation is [HB 1425](#), which directs that up to 20% of Legacy Fund principal be invested in North Dakota, half of which could be directed to "equity investments." Another forward-looking bill awaiting House action is [HB 1452](#), which would establish a clean, sustainable energy authority. The idea is to encourage research and investments in cutting edge technology, primarily aimed at the coal and oil industries in hopes of improving the ESG scores of ND companies. The Environmental, Social and Governance movement is an inexplicable trend among banks and large investment firms to discourage investment in fossil fuel industries under the assumption that they are "unsustainable." One other bill of interest to WDEA members is [HB 1464](#), which in its current form would raise the motor fuel tax three cents a gallon.

The House also has yet to act on [HB 1388](#), the major K-12 funding bill. The House Appropriations Committee was expected to remove the "1 and 1" percent increase each year of the 2021-23 biennium in the per pupil payment in the Foundation Aid formula for schools. Committee members said they believed federal funds from the Elementary and Secondary School Emergency Relief (ESSER) grant program would supplant the need for state aid, and could also be used to develop CTE projects. ESSER is a component of the CARES Act, federal assistance related to the COVID-19 pandemic.

The so-called "straddle well" bill, [SB 2319](#), received a 10-2 Do Not pass recommendation this week from the Senate Appropriations Committee. The bill addresses 132 oil wells outside the boundary of the Ft. Berthold Reservation, that have laterals underground that go into the reservation. Currently, the state and political subdivisions receive 100% of the tax revenue from those wells. The bill as drafted would change that to a 50-50 split between the state and MHA Nation, resulting in an estimated loss of \$13.1 million loss to the state, and \$2.4 million to the bordering counties – Dunn \$492K, McKenzie \$1.5M and Mountrail \$348K. The "deal" behind the bill was that in exchange for the tax agreement, MHA would exercise its political influence to attempt to persuade the Biden administration to allow drilling into federal lands located just outside the reservation boundary in Dunn and McKenzie Counties. Discussion in the committee suggested the tribe would pursue that opportunity anyway, regardless of the change in the tax-sharing agreement.

A couple other bills of interest to WDEA members saw action this week. The House finally got around to taking a vote on [HB 1179](#), approving it 84-10. The bill repeals a reporting requirement that compels counties, school districts and hub cities that receive GPT revenue to submit a report of their expenditures. One other bill WDEA is tracking that went down to defeat this week was [HB 1315](#) that would have raised interstate speed limits to 80 mph.

Next week the legislature heads into crossover, the halfway point of the session – [House calendar](#) – [Senate Calendar](#).