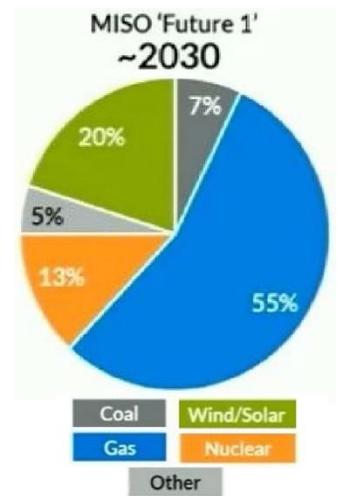




**Western Dakota Energy Association
Legislative Report #10, March 13, 2021
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The pie chart shown as part of a presentation by a MISO executive this week must have sent shock waves through everyone in Coal Country. The chart forecasts that coal will be only seven percent of the generation mix on the MISO grid just 10 years from now. It was only 15 years ago that coal-fired generation supplied 70% of the power to the MISO grid. The pie chart, part of a presentation by Brian Tulloh, Executive Director of External Affairs for MISO, to a joint hearing of the legislature's Energy and Natural Resources Committees, is based on the integrated resource plans of member utilities. The forecast should concern not just individuals connected to North Dakota's lignite industry, but everyone in the state and region because the path to replace the lost generation is iffy at best. MISO's forecast suggests the region will become heavily dependent on natural gas-fired generation, which can be reliable, but is more susceptible to disruption due to freezing temperatures or pipeline failures, not to mention the coming regulations of the Biden administration that will likely discourage pipeline construction and fossil fuel use. The hearing should further stimulate interest in strengthening reliability bills such as [SB 2313](#), which passed the Senate in the first half of the session, but was watered down to little more than a required report from the Transmission Authority.



The House Energy and Natural Resources Committee, on a 12-2 vote, approved [SB 2291](#), a bill aimed at developing a state response to the ESG movement. As explained by its sponsor, Senator Jessica Bell of Beulah, Environmental and Social Governance is a growing movement in the investment and banking world to divest from agriculture and energy companies, often ignoring the basic investment goal of maximizing returns. In her [written testimony](#), Bell notes that creditworthy investments have been turned down if they don't meet ESG requirements, "which limits financing and insurance opportunities for those companies that don't meet the required, and most often subjective, "standards." Click [here](#) to see video of the committee hearing. Click [here](#) to see written testimony about the bill.

[SB 2065](#) appears to be turning into this session's pore space bill. It's perhaps not as contentious as [SB 2344](#) was during the 2019 session, but there's continuing disagreement about its impact on the rights of landowners. The bill is intended to remove uncertainty for both the industry and landowners surrounding the use of underground pore space to store oil, gas liquids or natural gas. That practice would be employed in the possible storage of carbon dioxide from coal-fired power plants, or in the development of salt caverns essential for the development of the petrochemical industry. The bill was amended in the Senate to create a new section of state law, rather than attempting to amend existing statutes. However, the Northwest Landowners Association opposes the new language, primarily because the bill allows the state Industrial Commission to allow exceptions to its requirements. The House Energy and Natural Resources Committee, as it did with the pore space bill last session, has formed a subcommittee to try to work out differences among the parties.

Budget bills of various state agencies are being scrutinized in their second house, which oftentimes involves a review of amendments tacked on by the other chamber. One funding provision struck by the Senate in [SB 2012](#), the budget of the ND Department of Transportation, would provide for the establishment of a state Traffic Management Center. The TMC would collect data from multiple forms of remote sensing equipment on state highways and use computer technology to warn the traveling public of potential hazards. DOT Director Bill Panos described a time in Wyoming, where he also served as head of the DOT, when the TMC provided advance warning of a tornado that crossed Interstate 80. Panos said the state's Zero Vision effort to reduce highway fatalities could make additional headway with deployment of the new technology. The bill is currently awaiting action in the House Appropriations Committee.

District 36 Republicans named a replacement this week for Dickinson Rep. Luke Simons, who was expelled last week based on allegations of inappropriate conduct. The district's GOP executive committee appointed Dori Hauck, who along with her husband, Doug, own and operate a ranch in rural Richardton. Hauck is a writer and music teacher, and has served as the secretary-treasurer for the district party since 2012. She is expected to be sworn in Monday afternoon.



WDEA and the ND Petroleum Council plan to hold a news conference next Tuesday, March 16, to release the results of an update of an oil tax distribution study that demonstrates how oil tax revenue benefits the entire state. Among the information to be shared is the fact that since the Bakken's horizontal drilling and hydraulic fracturing boom began in 2008, the state has collected nearly \$22 billion in oil taxes. The news conference, scheduled to begin at 8:30 in Memorial Hall at the Capitol, will also feature an update of NDPC's study of the industry's economic impact in the state. Release of the studies will coincide with the legislature's announcement of a new revenue forecast for the coming biennium.