



**Western Dakota Energy Association  
Legislative Report #11, March 20, 2021  
[Geoff Simon](#), Executive Director**



On Thursday of Week 11, both House and Senate chambers conducted memorial services to recognize former legislators who had passed away since the last legislative session. The Senate ceremony concluded with a video replay pictured here of a performance by the Senate Choir at the 2017 memorial service. Among its members was Senator Lonnie Laffen, one of the honorees who passed away in December at the age of 62. The names of the deceased are recorded in resolutions printed in the daily journals of the two chambers. Click [here](#) to read the March 18 House Journal. Click [here](#) for the March 18 Senate Journal.

Electric reliability was the hot topic of the week with hearings on several bills aimed at addressing the growing concern. The House Energy and Natural Resources Committee heard testimony on [SB 2313](#), a measure introduced by the majority leaders of the House and Senate. The original version of the bill established a reliability standard that would require that “all electricity generated within the state must be dispatchable energy or demonstrate backup capacity through the use of firming.” It empowered the Public Service Commission to write rules to require that an entity responsible for the generation of “non-dispatchable energy” demonstrate that it has secured “firming capacity” to meet the reliability standard. However, because of utility opposition to the original bill, it was gutted and left with just a requirement that the Transmission Authority produce a report on the status of the resilience of the electric grid. But this week, the PSC proposed an [amendment](#) that would allow the commission to consider “qualitative benefits” of power generation, and penalize utilities that fail to meet minimum capacity requirements and power reserve margins. Predictably, utilities were opposed to the amendment, and a subcommittee was appointed to try to reach agreement. Click [here](#) to watch video of the committee hearing on SB 2313. Hearings were also held this week on [HB 1412](#), which would provide a temporary 60% reduction in the coal conversion tax, and [HB 1455](#), which in its original form would have required public hearings in affected communities if a power plant closure was planned. No action was taken on either bill.

Two of the more significant bills of the 2021 session had their first hearing this week in the Senate Finance and Taxation Committee, and in both cases Senators offered amendments to restore portions of the bills the House had removed. Senate Majority Leader Rich Wardner suggested numerous additions to [HB 1431](#), a bonding bill intended to address major infrastructure needs. The bill as it passed the House had been reduced to \$680 million, with the bulk going to the Fargo-Moorhead and Minot area flood control projects. Additions proposed by Sen. Wardner would push the bill’s price tag to \$860 million. The list includes \$30 million for townships; \$60 million for career and tech ed facilities with amounts earmarked for Dickinson, Minot and Watford City; \$65 million for deferred maintenance on state buildings; \$10 million for state parks; \$4 million for digitization of documents for the Theodore Roosevelt Library; \$4 million to complete Pulver Hall at Dickinson State; and \$4.7 million for maintenance of historical buildings. Amendments were also proposed to [HB 1380](#), the Legacy Fund streams bill that would direct future Legacy earnings to various categories of spending. The House had reduced the streams to a trickle, directing funds to cover only the bonding repayment, \$40 million for the clean sustainable energy fund in [HB 1452](#), and \$40 million to the infrastructure revolving loan fund. Additions to the streams bill offered this week by Fargo Senator Ron Sorvaag include funds directed to economic diversification research at state universities, a workforce development enrichment fund, an infrastructure fund for one-time projects, a legacy project fund, and an innovation research and diversification fund. No action was taken on either amendment.

Members of the Appropriations Committees heard presentations this week from financial consulting firms that provided forecasts of state revenue for the coming biennium. Most significant in the revenue projections are the oil price and production numbers. The current forecast adopted in January pegs the price of North Dakota crude at \$40/barrel though the 2021-23 biennium, with production dropping to 1 million barrels in the second year of the biennium. The forecasts presented this week put production flat at 1.1 million bbl/day or climbing slightly, possibly up to 1.3 million bbl/day. Price is expected to remain somewhere between \$50 and \$65 per barrel. There is apparently no consensus on the numbers among committee members, who postponed a decision on the official revenue forecast until next week.

Another revenue number yet to be determined is how much school districts will receive in federal ESSER (Elementary and Secondary Schools Emergency Relief) funds, and how those funds can be spent. The Department of Public Instruction indicated it is working with national education groups to provide guidance to the legislature. The information that DPI provides will allow lawmakers to determine the level of funding it will provide through the K-12 Foundation Aid funding formula. At the current time, the legislature is planning no increase in the per pupil payment to school districts.