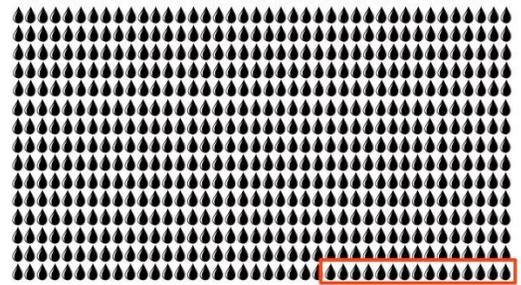




Western Dakota Energy Association
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LEAVES A LOT OF BAKKEN OIL TO CHASE!



Can Bakken EOR save North Dakota coal? It's an interesting question and an intriguing possibility. This image was part of a slide presentation this week by Charlie Gorecki, CEO of the Energy and Environmental Research Center, to the Senate Energy and Natural Resources Committee. The slide represents billions of barrels of oil estimated to be left in the Bakken using today's drilling and completion techniques. But as Gorecki explained, enhanced oil recovery using carbon dioxide captured from North Dakota coal plants could unlock many of those barrels, possibly extending the life of the Bakken play well into the next century. As much as environmental extremists dislike the thought, oil is essential to modern society, and because there is no substitute, we will need it for many decades to come. Injecting CO2 into depleted oil fields is a proven method of extracting millions of barrels that are otherwise unrecoverable. The dilemma facing North Dakota, of course, is whether the state's fleet of lignite-fired power plants will still be in operation 10 or 20 years from now, given the political pressure being applied by extremist groups and left-leaning politicians. Gorecki discussed a lot more than EOR in his presentation, covering the gamut of research underway at EERC. Click [here](#) to watch the video recording of his presentation to the committee.

The North Dakota Legislature is doing what it can this session to help ensure a future for coal. [HB 1412](#), a bill that would provide a temporary reduction in the coal conversion tax, had its first hearing [Tuesday](#) before the Senate Appropriations Committee. The bill was earlier amended in the Senate Finance and Taxation Committee to increase the amount of the reduction from 60% to 85%. It would only affect the portion of the tax distributed to the state. The remaining 15% would still go to support counties, cities and school districts in the coal-producing counties. Two other coal-related bills saw action this week. [HB 1455](#), which has been laying on the table in the Senate Energy and Natural Resources Committee for about a month now, was amended this week to include a possible interim study that would examine the implications of shutting down a coal-fired power plant. [SB 2313](#), legislation aimed at ensuring grid reliability, was approved by the House Energy and Natural Resources Committee with an amendment proposed by the Public Service Commission. The new language will allow the PSC to hire an expert to examine the "qualitative benefits" of generation assets owned by investor-owned utilities, most likely assigning a higher value to baseload plants that provide 24/7 power.

A subcommittee of the House Energy Committee may have set a record for the most meetings held on a single bill. The group met nine times trying to resolve differences over the most contentious oil and gas legislation of the 2021 session. [SB 2065](#) was introduced at the request of the ND Industrial Commission to establish a regulatory framework for the underground storage of natural gas and gas liquids. The bill also attempts to define the rights of landowners, both to the surface and to the pore space beneath the ground where gas or liquids would be injected. The legislation has attracted a lot of attention, both because it's extremely important to the oil and gas industry to unlock opportunities for enhanced production and potential development of a petrochemical industry, and for the opportunity it presents to landowners to capitalize on the additional income that may derived from renting the surface or pore space under their land.

Two of the more significant bills this session were the subject of a hearing [Tuesday](#) in the Senate Appropriations Committee. [HB 1431](#), a bill that would issue bonds to pay for infrastructure projects was first up, followed by [HB 1380](#), the so-called "streams bill" that would direct future Legacy Fund earnings into various spending categories. The bonding bill had been amended last week in the Senate Finance and Taxation Committee, which added back into the bill several items that had been cut by the House. A new item was also introduced in the amendment – a \$250 million allocation to establish a revolving loan fund for clean, sustainable energy projects. If and where the items in the bill will be funded will ultimately be decided in a conference committee of House and Senate appropriators. The streams bill has likely been the subject of [more testimony](#) than any other bill this session, as various interests vie for a shot at future earnings from the Legacy Fund. It would probably take a ream of paper to print all that has been submitted. Click [here](#) to see the list.

If the parties can't agree or the votes aren't there to pass a bill, the fallback position is sometimes an interim study. That appears to be where [SCR 4007](#) is headed. The resolution proposed a constitutional amendment to add the agriculture commissioner to the Board of University and School Lands, but it doesn't look like the issue will make it to the ballot. A subcommittee of the House Government and Veterans Affairs Committee this week approved an amendment that instead calls for a study to determine the appropriate composition of the Land Board.

As the session moves into Week 14, nearly all bills have had initial committee hearings, so the official hearing schedule gets a little thin as most work will be happening in conference committees. Click [here](#) to see next week's schedule of committee hearings on bills of interest to WDEA members. Click [here](#) to see the list of conference committee meetings.