

Minutes of the  
**EMPOWER NORTH DAKOTA COMMISSION**

December 14, 2015  
Department of Commerce  
1600 E Century Avenue  
Bismarck, ND

**Members present:**

Al Anderson, Mark Nisbet, Mike Rud, Jay Skabo, John Weeda, Jason Bohrer, Ron Day, Ron Ness, Dale Niezwaag, David Straley,

**Ex Officio Members:**

Julie Voeck, Margaret Hodnik, Sandi Tabor

**Others present:**

Justin Dever, Department of Commerce  
Mike Fladeland, Department of Commerce  
Sherri Frieze, Department of Commerce  
Andrea Holl-Pfennig, Department of Commerce  
Mark Bring, Ottertail  
Justin Kringstad, NDPA  
Wade Boeshans, BNI Coal  
Karlene Fine, Industrial Commission  
Deana Wiese, ND Ethanol Council  
Todd Kranda, Kelsch Kelsch, Ruff & Kranda  
Carlee McLeod, USND  
Jean Schafer, Basin Electric  
Kim Christianson, NDARE  
Tyler Hamman, LEC/ND Transmission Authority  
Levi Andrist, Vogel Law Firm  
Jim Gartin, GFM EDC  
Ken Hellevang, NDSU  
Mark Scheid, Ulteig Engineering

**CALL TO ORDER/WELCOME**

Chairman Anderson called the meeting to order at 8:00 a.m. and welcomed Commission members and guests.

**APPROVAL OF MINUTES**

**A motion was made by Ness and seconded by Weeda to approve the minutes of October 27<sup>th</sup>. Motion carried unanimously.**

**State of Energy Industry Reports**

**Energy Efficiency – Andrea Holl-Pfennig**

Andrea talked about the strengths of the Energy Conservation Grant program; highlighting completed and in progress projects. She mentioned the resources available through the State Energy Program and the various measures the Weatherization Assistance Program uses to increase energy efficiency in low-income homes.

Andrea then talked about the weaknesses of the Energy Efficiency program, stating that ND had the 4<sup>th</sup> highest consumption per capita rate in the nation for 2013. Also discussed was the cost effectiveness of the newer energy codes; noting that officials have found them to be less effective and are currently using the 2009 codes.

[Appendix A](#)

**Lignite- Jason Bohrer & David Straley**

Bohrer talked about the Clean Power Plan as the greatest challenge the Lignite Industry faces for the future, in addition to considering how to comply with the Plan, the industry is considering legislative and legal options.. Bohrer discussed issues with the Stream Buffer Rule, started in 1987, now referred to as the Stream Protection Rule.

[Appendix B](#)

**Subcommittee Reports**

**Infrastructure – Ron Ness**

Ness gave an overview of the subcommittee's action items including the need for prioritizing issues of water, transportation (rail and highway), easements and right of way, and community needs; including affordable housing and resource planning.

The subcommittee would like to discuss these items more at the next EmPower ND meeting in January with invited speakers from the Upper Great Plains Transportation Institute, the ND Pipeline Authority, the ND Transmission Authority, the ND Association of Oil & Gas Producing Co., representation for the Valley Prosperity Partnerships, Advanced Engineering & Environmental Services, and Mayors for Williston and Watford City.

Looking to the EmPower ND March meeting, Ness also discussed the need for the Agriculture Department, the Public Service Commission, the Census Division from the ND Department of Commerce, the Department of Transportation and the ND Tax Department to all give updates that are relevant to the state's energy issues.

### **R & D – John Weeda**

Weeda gave an overview of the subcommittee's action items including the need for prioritizing issues of CO2, R & D challenges/enablers, the role ND research institutions have, and the EmPower ND Commission's position on state support for R & D.

The subcommittee would like to discuss these items more at the next January or March EmPower ND meeting, with invited speakers from EERC and NDSU. It was also mentioned to have legislative representation present for support on these issues.

[Appendix C](#)

### **Regulatory – Dale Niezwaag**

Niezwaag gave an overview of the subcommittee's action items with the need for prioritizing issues of the Clean Power Plan, the Waters of the U.S. and how to strengthen primacy regarding state and federal regulations, and to conduct a comprehensive review of the Siting Act.

[Appendix D](#)

### **Future Actions**

Siting Act – invite the Public Service Commission following consideration by the Commission. Legacy Funds – invite the ND Tax Department to discuss the updates.

### **Public Comment**

No comments were given

### **FUTURE MEETINGS**

January 19<sup>th</sup>, 2016 is the next proposed meeting date with location to be determined. Sherri and Mike Fladeland will work together to invite speakers to the meeting.

### **ADJOURNMENT**

A motion was made by Weeda and seconded by Skabo to adjourn the meeting at 4:00 pm.

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Al Anderson Chairman	Date
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Sherri Frieze Recording Secretary	Date
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**Strengths:**

- Energy Conservation Grant program establishes continuing funds to increase energy efficiency of buildings owned by political subdivisions. This program began on July 1<sup>st</sup>, 2013 and receives up to \$1.2 million per biennium.
  - 29 projects completed, 7 in progress.
  - Have reimbursed \$907,972.12, \$225,119.41 obligated for projects in progress.
- Through funding from the State Energy Program (SEP), the Department of Commerce partners with NDSU to provide a variety of resources including:
  - Agricultural energy efficiency
  - Seminars for energy efficiency
  - Publications for a variety of audiences
  - eFargo
- Weatherization: The Weatherization Assistance Program uses various measures to increase energy efficiency in low-income homes while strengthening the health and safety of the home.
  - Since 2001, over 10,300 homes have been weatherized, typically saving each homeowner over 12% on heating costs per year. In addition, there are about \$14,000 in Health and Safety benefits per home and about 22 metric tons of carbon reduction.
  - 83% of people in North Dakota live in jurisdictions that enforce the energy code. Several other jurisdictions are proposing adoption.

**Weaknesses:**

- State's consumption per capita ranks among the highest. In 2013, ND had the 4<sup>th</sup> highest consumption per capita rate in the nation. Perceptions about the value of energy efficiency are not very positive.
- There are very limited resources for energy efficiency in the commercial sector.
- Energy efficiency upgrades aren't valued on appraisals and disclosure of buildings energy use is not required.
  - According to the ACEEE, "Building energy disclosure and transparency laws improve consumers' awareness of the energy use of homes and commercial buildings being offered for sale or lease, which can have a significant impact on the economic value of a home or building. A requirement to disclose a building's energy use also provides building owners with the information necessary to consider improving the energy efficiency of their buildings."
- There is not a strong industry voice in the state for companies with energy efficient products such as insulation, windows, etc.
- Besides the ECG, there is no state funded program for energy efficiency. Shrinking federal budgets could have significant impact on SEP and Weatherization.
- Officials in the state have found the newer energy codes are becoming less cost effective so they have stayed with the older (2009) codes.
- Federal regulations that take a "one size fits all" approach can make administering programs such as Weatherization difficult.
- American Council for an Energy Efficient Economy (ACEEE) has ranked ND as #51 in a recent state scorecard ranking for a number of years. The ranking and criteria are based on policy categories that they consider conducive to fostering energy efficiency, such as energy efficiency resource standards and utility decoupling.



# Lignite Empower Update

*Jason Bohrer*  
*Lignite Energy Council*

# Lignite Industry Update

- **Clean Power Plan**
  - Legislative
  - Legal
  - Compliance
- **Other Issues**
  - Regulatory

# Clean Power Plan

- **Legislative**
  - Resolution of Disapproval
  - Passed by House and Senate
  - Will be vetoed by President
- **Budget Riders**
  - Prohibit CPP Enforcement
- **Industry Legislation**

# Clean Power Plan

- **Legal**
  - **Motion for Stay**
  - **Arguments on the merits (is the rule legal?)**
  - **Protracted timeline**
  - ***Mass. v. EPA***

# Clean Power Plan

- **Compliance**
  - Department of Health Listening Sessions
  - What is achievable?

# Other Issues

- **Regulatory**
  - **Waters of the US**
  - **Stream Buffer Rule**
  - **Dust**
  - **Ozone**
  - **Federal Coal Leases**

# How can we respond?

- **Increased R&D**
- **New Power Cycles**
- **Oil partnerships**
- **Biggest Challenge is time**
- **Keep coal industry up to date, alive while pursuing technology**

# ND EmPower Commission

R&D Subcommittee Report

December 14, 2015

# Overview

- CO2 not just a coal issue
- Identify key R&D challenges/enablers
- Role of ND research institutions – EERC/NDSU
- Competitiveness of ND R&D Policies
- Learn from successful technology commercialization's
- EmPower will need to take a position on how much state support is required.

# Key Challenges/Enablers of Research, Development & Commercialization

- Financial risk
- Permitting risk
- Technology risk
- Scale-up risk
- Confidentiality (IP protection)
- Fear of political recourse

# Role of NDSU/EERC

- Potential role vetting technologies
  - Assess emerging technologies to identify promising technologies and connect technology owners with industry partners
  - Provide NDIC assurance of the merits of technologies applying for state R&D funds
  - Don't need another mini-lab

# Assess ND R&D Competitiveness

- 1) Review NDIC R&D policies to identify opportunities to improve – ability to send research funds out of state? 50/50 match limiting research? (Jason Bohr, Karlene Fine, Ron Ness?)
- 2) Commission Study to evaluate the competitiveness of ND R&D policies relative to other states or purchase report if available (Jason Borher)
- 3) Commission study to assess successful technology commercialization's to evaluate how key challenges were addressed

ND Pipeline Authority - Does it have enough authority, is there a role for it at this time?

CPP EmPower Statement

1. No state legislation at this time
2. Encourage all state agencies and entities to become informed, educated and engage in conversations with the Dept. of Health and Gov's office on the Clean Power Plan and the development of a State Implementation Plan.
3. Encourage the DOH and the state to develop a SIP that is acceptable and implementable to all stakeholders

Oil & Gas??

We need help from industry stakeholders on this.

WOTUS

Thank the state, especially the AG for their aggressive work on the issue.

In the last session a group was formed to address Federal Environmental Review and Impact Committee, the group is inactive at this time.

How can we avoid conflicts between state and federal regulations on different regulations such as WOTUS and others?

Can we strengthen the states position on primacy regarding state and federal regulations.

Net Metering?

Govt Finance Committee - Reviewing what strings are attached to current federal funding.

Conduct a comprehensive review of the Siting Act to alleviate or eliminate conflicts or unintended consequences of legislative changes regarding different facilities such as oil & gas pipelines and electric transmission lines.

Energy Efficiency - Not recommending any changes at this time.