Testimony on the Electrical Generating Facilities Sales Tax Exemption

Al Christianson, Great River Energy
Director, Business Development & Governmental Affairs

Presented before the Interim Political Subdivision Taxation Committee
January 13, 2016

Good afternoon, my name is Al Christianson, business development & governmental affairs director for Great River Energy.

Thank you for the opportunity to comment on the electrical generating facilities sales tax exemption value.

Great River Energy's Coal Creek Station, a 1,180-megawatt lignite coal-fired plant by Washburn and Underwood, has used DryFined™ lignite since 2009. DryFining™, a lignite fuel enhancement system which dries and refines lignite using waste heat, was a home-grown technology with Serial #1 right here in North Dakota. Over $280 million was invested in Coal Creek's DryFining system. Today, all of the coal used at Coal Creek Station is DryFined to make it cleaner and more efficient.

ICI, a local general contractor, and Barr Engineering, a local engineering firm, were contracted to build the system which created over 800 construction jobs and 26 new, FTE operations and maintenance jobs.

DryFining has improved efficiency and emissions performance by reducing fuel moisture from 38 to 29 percent, increasing heating value from 6,200 to 7,100 Btu/lb., reducing fuel input by 4 percent and increasing overall plant efficiency by 4 percent. Plant emissions are also reduced:

- Sulfur dioxide (SO2) by 40 percent
- Mercury (Hg) by as much as 40 percent
- Nitrogen oxide (NOx)by more than 20 percent

The use of DryFined coal in new and existing power plants could significantly reduce air emissions in the United States. The sales tax exemption program and others like it make a significant impact in the financing to implement new technologies like DryFining.

Thank you again for this opportunity to provide comment, and I would be happy to answer any questions the committee might have.