

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3020

2007 HOUSE NATURAL RESOURCES

HCR 3020

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3020

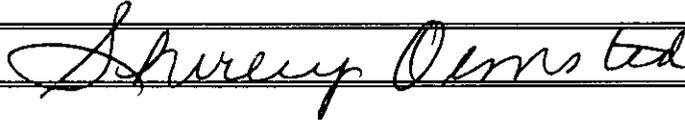
House Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3150

Committee Clerk Signature



Minutes:

Chairman Porter opened the hearing on HCR 3020 and asked the clerk to read the title.

Representative Phil Mueller, District 24, introduced HCR 3020 as a sponsor. This HCR acknowledges and supports the tremendous natural resources in North Dakota. This includes renewables and the technology and research it takes to go with them. We are all very aware of the potentially exciting energy future in North Dakota. This HCR supports our vision for renewable energy in our great state. This HCR recommends a goal of 25% by the year 2025 in North Dakota for renewable energy. It is ambitious goal but I believe it is achievable. We are currently being supported by many segments of the energy industry in our state, including those that may be called the traditional energy suppliers. It asked that we do continue our support of tax credits and federal funding for hydrogen, coal, biomass research and development, carbon capture and other energy policies that are important to North Dakota and indeed important to the United States. In the last tracking, there were 23 renewable energy bills or those associated with renewable energy in our system. This will take significant amounts of work. This talks about where we are going in this session as well as talking about our priorities. A survey was done by the UND Bureau of Government Affairs in June and July

of 2006. This survey indicated that 93% of the people in this state surveyed indicated that they believe the legislatures highest priority is renewable energy.

Representative Keiser asked what the definition of long term extension was.

Representative Mueller said they were looking to the future for a time period when the renewables are a stable part of our energy policy in our country and in this state. There will be a time when these are no longer needed as they will be up and running on their own.

Representative Keiser said he has trouble supporting the language. One of the major concerns in the overthrow of Saudi Arabia by the younger generation and the forecast is if this were to happen, the gasoline prices in the United States overnight would go to \$5.00 per gallon. Suddenly renewables would become profitable. If it happened next year, and we have on our books about the long term extension of all these tax credits even though they become very profitable, is not good policy. It should say something about long term extensions until they become profitable or some such language.

Representative Mueller said this was a very good point and he thought they could make a slight change in the language. He said he certainly understood what he was saying. He supports these initiatives because that helped put the industry or the business in a position to be self-sufficient. I do not think the committee would have any problem with changing the language as you suggested.

Chairman Porter said we had HB 1462 in front of us. This bill puts into code almost the same language that you are putting into this resolution.

Representative Mueller said he was not familiar with that particular bill but need to get familiar with it.

Chairman Porter said as to what resolutions do, we have a bill that is basically doing the same thing except it is actually putting it in the century code and moving forward with the 25 x 25 initiative. I am just wondering from your perspective if we need both.

Representative Mueller said he appreciate the sponsors of this bill but as you know with the process the fact that it comes out committee doesn't mean that it will necessarily pass on the floor. If one is good, maybe two is better.

Representative Pam Gullickson of District 26 came forward in support of HCR 3020. This is very comprehensive and asked the efforts of all energy partners to be able to help us obtain this long standing goal for the nation of the 25 x 25. It is inclusive and it recognizes the unique and significant opportunity that ND has.

Ms. Audrey Cleary came forward as a private citizen. This resolution addresses the renewables at a time when this state is very proactive and was in support of the HCR 3020.

Mr. Harlan Fugelstad with the ND Association of Rural Electric Cooperatives came forward in support of this resolution and Section 1 of HB 1462. They joined the 25 x 25 alliance last July which is an alliance of 400 organizations across the country that supports the vision of 25% by 2025. I like this resolution because it also recognizes other resources that will also be part of the solution in providing energy.

Mr. Curtis Jabs of Basin Electric came forward of HCR 3020. The initiative also supports the development of other alternatives such as biomass, hydrogen, and solar and all forms of resources and renewable energy. Basin is seeing an increased demand from the development of energy in North Dakota. We agree with this resolution and stand in support of it.

Chairman Porter asked for further support. Hearing none, he asked for testimony in opposition to HCR 3020. Hearing none, the hearing was closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3020

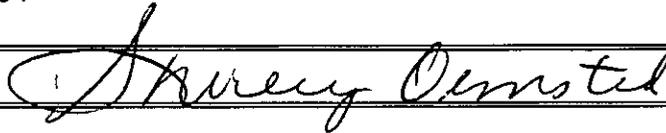
House Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3151

Committee Clerk Signature



Minutes:

Representative Drovdal asked for a definition of the ND Energy Corridor initiative.

Mr. Dennis Hill, A representative of the Rural Electrics Cooperative said it was his understanding the Energy Corridor is being lead by Bismarck State College and the idea is that the initiative through the National Energy Centers of Excellence would be to try to get someone onboard to also help coordinate the energy supplies in North Dakota. Senator Dorgan provided an earmark appropriation for that staff position as a long term goal so that will be another effort to try to bring this whole thing under one umbrella.

The hearing was closed on HCR 3020.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3020

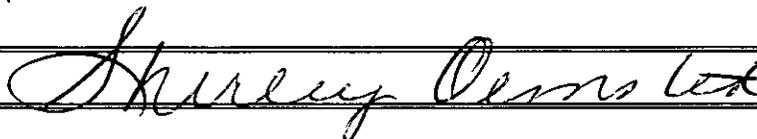
House Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3154

Committee Clerk Signature



Minutes:

Chairman Porter asked the committee to consider HCR 3020.

Representative Keiser presented a proposed amendment to HCR 3020 to delete lines 13 through 19. He supports the resolution but lines 13 through 19 are tax issues.

Representative Drovdal made a motion to amend HCR 3020.

Representative DeKrey seconded the motion.

Chairman Porter asked for discussion. Hearing none, a voice vote was taken. The motion prevailed.

Representative DeKrey made a motion for a do pass as amended and put on the consent calendar.

Representative Hofstad seconded the motion.

Chairman Porter asked for discussion. Hearing none, the clerk called the roll. Let the record show 12 yes, 0 no with 2 absent. The motion prevailed for a **do pass as amended and put on the consent calendar**. **Representative Hanson** will carry this to the floor.

Date: 2-8-07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. HCR 3020

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By DeKrey Seconded By Hofstad

Representatives	Yes	No	Representatives	Yes	No
Chairman - Rep. Porter	✓		Rep. Hanson	✓	
Vice-Chairman - Rep Damschen	✓		Rep. Hunskor	✓	
Rep. Charging	✓		Rep. Kelsh		
Rep. Clark	✓		Rep. Meyer	✓	
Rep. DeKrey	✓		Rep. Solberg		
Rep. Drovdal	✓				
Rep. Hofstad	✓				
Rep. Keiser	✓				
Rep. Nottestad	✓				

Total Yes 12 No 0

Absent 2

Floor Assignment Hanson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3020: Natural Resources Committee (Rep. Porter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3020 was placed on the Sixth order on the calendar.

Page 2, remove lines 13 through 19

Renumber accordingly

2007 SENATE NATURAL RESOURCES

HCR 3020

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3020

Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: March 3, 2007

Recorder Job Number: # 4297

Committee Clerk Signature



Minutes:

Senator Stanley Lyson, Chairman of the Senate Natural Resources Committee opened the hearing on HCR 3020 declaring the renewable energy policy of the Legislative Assembly.

All members of the committee were present.

Representative Phillip Mueller of District 24 prime sponsor of HCR 3020 introduced the resolution as being simple as an acknowledgement and support of the tremendous resources of the state of North Dakota including renewables and the technology that will take us into the next century. This evolves around research. This resolution recommends but not requires a goal of 25 % of renewable sources of energy by the year 2025. This is ambitious goal but attainable goal. Other states in this 12 state region have adopted mandatory initiatives of 25x25. He further asked the committee to support other legislation supporting tax credits, hydro, clean coal, biomass, carbon capturing and other energy policies discussed. The companion legislation HB 1462 speaks to some of these issues but the difference is HCR 3020 speaks to the general support of renewables in the North Dakota whereas HB 1462 sets up a council.

Senator Herbert Urlacher: not proposing to change the bill, but when talking about 25x20 goals and looking that far ahead, we should also consider the economics and liability of the

goals within and should be looked at in part so that reasonable decision and how fast they are implemented.

Representative Mueller responded that we need to move sensibility and reasonable in how fast we move forward because if it becomes a burden for the state tax payers they need to be reconsidered. Renewables are not cheap and will not make the cost of energy go down.

Senator Layton Freborg asked for statistics regarding the percentages of renewable resources.

Representative Weiler answered he did not but referred to a survey taken with North Dakota citizens regarding the desire to use renewable energy.

Senator Urlacher responded there needs to be guidelines with the survey and more information included so a sound decision can be made.

Senator Constance Triplett of District 18 co-sponsor of HCR 3020 testified that surveys done with the North Dakota show the citizens understand the difference of goals verses mandate. Although the public is in favor of renewables, they do not wish it to be a mandate. The intent of the legislature and this resolution is to promote the development of renewables and not specific directed. Most renewables are more expensive than the traditional energy forms but in the long run they might not be as compared to the economic expenses such as the war effort to maintain our dependence on oil from other countries. We in North Dakota have a responsibility to promote our oil and coal industry and a variety of renewables in our state. She further stated she thought there is a 6% of renewable energy in the North Dakota to include hydroelectric and we are a long way from the 25 %.

Roger Johnson, North Dakota Agricultural Commissioner and member of the Industrial Commission testified in support of HCR 3020 stating North Dakota is in a position to be the

nation's energy leader and we need to increase our efforts to be that leader. (See attachment #1).

Curtis Jabs representing Basin Electric Power Cooperative testified in support of HCR 3020 (see attachment #2).

Audrey Cleary testified on her own behalf in support of HCR 3020 stating it is time North Dakota start doing something about renewable energies.

Wade Schaefer, Conservation organizer for the Dakota Chapter of the Sierra Club testified in support of HCR 3020 stating that although the US has only 3% of the oil reserves in the world and captured all of it we would still be dependant on other parts of the world, therefore it is important we support using renewable energies. More efficient use of fossil fuels is our only long term solution to our problems. This resolution is a baby step in the effort to move forward.

Senator Lyson asked for opposing testimony and hearing none asked for testimony in a neutral position.

Senator Lyson closed the hearing on SCR 3020.

Senator Joel Heitkamp made a motion for Do Pass of HCR 3020.

Senator Jim Pomeroy second the motion.

A roll call vote for a Do Pass of HCR 3020 was taken indicating 7 Yeas, 0 Nays and 0 absent or not voting.

Senator Constance Triplett will carry HCR 3020.

Date: 3-2

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 3020

Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Heitkamp Seconded By Pomeroy

Senators	Yes	No	Senators	Yes	No
Sen. Stanley Lyson, Chairman	✓		Sen. Joel Heitkamp	✓	
Sen. Ben Tollefson, ViceChairman	✓		Sen. Jim Pomeroy	✓	
Sen. Layton Freborg	✓		Sen. Constance Triplett	✓	
Sen. Herbert Urlacher	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Triplett

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 2, 2007 12:54 p.m.

Module No: SR-40-4331
Carrier: Triplett
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3020, as engrossed: Natural Resources Committee (Sen. Lyson, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HCR 3020 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HCR 3020

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
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600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

*Left Testimony
but did not
attend hearing*

Testimony of Jeff Weispenning
Deputy Agriculture Commissioner
HCR 3020
House Natural Resources Committee
Pioneer Room
February 8, 2007

Chairman Porter and members of the House Natural Resources Committee, I am Deputy Agriculture Commissioner Jeff Weispenning. I'm here today on behalf of Agriculture Commissioner Roger Johnson to offer testimony in favor of HCR 3020, which would establish a goal for North Dakota and the United States that 25 percent of our energy comes from renewable energy sources by the year 2025. HCR 3020 also calls for ongoing support of various federal tax credits and programs that will enhance renewable energy industries.

North Dakota is well positioned to be an all-around energy leader. We have vast traditional and renewable resources that can be used to produce a clean and affordable energy supply for this state and for the country.

North Dakotans agree that renewable energy development needs to be a priority for North Dakota. The North Dakota Renewable Energy Partnership, in cooperation with the Office of Renewable Energy & Energy Efficiency, commissioned the University of North Dakota Bureau of Governmental Affairs to conduct a public opinion survey on renewable energy issues in North Dakota. More than 600 North Dakotans, equally split male and female, were surveyed from June 13th to July 12th of 2006.

The survey showed that overwhelmingly, North Dakotans support renewables. Of those surveyed:

- 93 percent believe that renewable energy should be a priority in our state legislature.
- 96 percent believe that we should reduce our dependence on foreign sources of oil by promotion renewable sources of energy and energy conservation.

The production and use of renewable energy sources is of paramount importance not only to our state, but as part of our country's national energy security strategy. Retired Air Force General Charles "Chuck Wald – a North Dakota native – addressed the attendees of Marketplace for Entrepreneurs in Fargo last month. General Wald described a sobering picture of US and world energy production and consumption. Wald said that the United States currently spends approximately \$50 billion annually to ensure the free flow of oil throughout the world. When amortized to the price of gasoline, Wald estimated that US citizens are currently paying approximately \$6.50 per gallon of gasoline consumed.

President Bush in his State of the Union address last month also spoke about our energy situation, saying, "...it's in our vital interest to diversify America's energy supply...we need to...expand the use of...biodiesel fuel...we must continue investing in new methods of producing ethanol...using everything from wood chips to grasses to agricultural wastes...let us build on the work we've done and reduce gasoline usage in the United States by 20 percent in the next ten years."

Commissioner Johnson endorsed the national 25x25 effort in February of last year. As he stated in his endorsement letter (copy attached), this vision is an achievable objective if our country is willing to invest significant resources into the development of new and better technologies and if we make a serious commitment to utilize and consume these renewable energies.

Chairman Porter and committee members, I would like to recommend a "do pass" on HCR 3020. Thank you for this opportunity to offer testimony. I would be happy to answer any questions you may have.

Roger Johnson
Agriculture Commissioner
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600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

February 8, 2006

Ernest C. Shea, President
Natural Resource Solutions, LLC
208 Melancthon Avenue
Lutherville, MD 21093

Dear Mr. Shea:

I am writing to express my support and endorsement for the 25 X '25 Ag Energy Work Group. I have attached a signed preamble.

I believe the development of renewable energy from agricultural sources provides tremendous opportunity for our agricultural community, provides environmental and economic benefits and will help reduce our country's increasing dependency on foreign sources of oil and energy.

Your vision statement - *"By 2025, America's working lands will provide 25 percent of the total energy consumed in the United States while continuing to produce abundant, safe and affordable food, feed, fiber and fuel"* - is an achievable objective if our country is willing to invest significant resources into the development of new and better technologies and if we make a serious commitment to utilize and consume these renewable energies.

Thank you for the opportunity to be a part of this effort. I look forward to working with you in building our renewable energy economy in the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson".

Roger Johnson
Agriculture Commissioner

RJ:pl

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Attachment #1
Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

**Testimony of Roger Johnson
Agriculture Commissioner
HCR 3020
Senate Natural Resources Committee
Fort Lincoln Room
March 2, 2007**

Chairman Lyson and members of the Senate Natural Resources Committee, I am Agriculture Commissioner Roger Johnson. I'm here today to offer testimony in favor of HCR 3020, which would establish a goal for North Dakota and the United States that 25 percent of our energy comes from renewable energy sources by the year 2025.

North Dakota is well positioned to be an all-around energy leader. We have vast traditional and renewable resources that can be used to produce a clean and affordable energy supply for this state and for the country.

North Dakotans agree that renewable energy development needs to be a priority for North Dakota. The North Dakota Renewable Energy Partnership, in cooperation with the Office of Renewable Energy & Energy Efficiency, commissioned the University of North Dakota Bureau of Governmental Affairs to conduct a public opinion survey on renewable energy issues in North

Dakota. More than 600 North Dakotans, equally split male and female, were surveyed from June 13th to July 12th of 2006.

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President Bush in his State of the Union address also spoke about our energy situation, saying, "...it's in our vital interest to diversify America's energy supply...we need to...expand the use of...biodiesel fuel...we must continue investing in new methods of producing ethanol...using

everything from wood chips to grasses to agricultural wastes...let us build on the work we've done and reduce gasoline usage in the United States by 20 percent in the next ten years."

I officially endorsed the national 25x25 effort in February of last year. As I stated in my endorsement letter (copy attached), this vision is an achievable objective if our country is willing to invest significant resources into the development of new and better technologies and if we make a serious commitment to utilize and consume these renewable energies.

Chairman Lyson and committee members, I would like to recommend a "do pass" on HCR 3020. Thank you for this opportunity to offer testimony. I would be happy to answer any questions you may have.

**Curtis Jabs - Basin Electric Power Cooperative
In Support of North Dakota House Concurrent Resolution No. 3020
Senate Natural Resources Committee
March 2, 2007**

I'm Curtis Jabs representing Basin Electric Power Cooperative in support of House concurrent Resolution NO. 3020.

The 25 x '25 Alliance has developed a national grassroots initiative committed to voluntary goals that will enhance renewable energy development. The goal envisions the United States receiving 25 percent of its energy needs by 2025 from renewable energy. It includes expanding electricity production from renewable sources such as wind and hydro, and transportation fuels such as ethanol and bio-diesel. The initiative also promotes the development of other alternatives such as biomass, hydrogen, solar, anaerobic digesters and all other forms of renewable energy. At the February board meeting, our Basin Electric Boards of Directors passed a resolution supporting the 25 X 25 Initiative.

North Dakota is a leader in traditional energy resources (coal, oil, natural gas) and this resolution recognizes those resources and their importance to the nation's and North Dakota's energy future. Basin Electric is seeing increased load demand from the development of energy production in North Dakota from new ethanol and biodiesel plant plus expanded oil development and reliable, affordable, electricity generation will be necessary to meet these new demands.

HCR 3020 gives the state a voluntary renewable goal that is not industry specific and includes full credit for existing hydroelectric power. We agree with the vision to replace oil imports through domestic and renewable fuels to power our transportation infrastructure and our states electricity needs. Ensuring renewable energy is part of the overall energy mix in North Dakota is a worth goal, and we urge a Do Pass recommendation on this resolution.