

1 Chairman Holmberg & members of the committee, my name is Scott Skokos and I am testifying on
2 behalf of Dakota Resource Council and our members. Thank you for allowing me to testify today in
3 opposition of HB 1380.

4 Dakota Resource Council (DRC) is a non-partisan grassroots group of landowners, ranchers, farmers, and
5 other citizens. We were founded to watchdog over energy policies that impact family farms and ranches.
6 We stand here today in opposition to HB 1380 because the bill is in our view a misuse of legacy fund
7 dollars and creates an ongoing appropriation every two years to a fund represented by special interest
8 groups without transparency. The allocation in HB 1380 to the “clean sustainable energy fund” is
9 overseen by the yet to be created “Clean Sustainable Energy Authority” which has no voting
10 representation from the wind or solar industries. The Legacy Fund was created to support North Dakota
11 once the coal, oil, and gas industry run their course, not to prop up industries in decline. In 2013, a
12 stakeholder group consisting of elected officials and citizens of all political spectrums met to discuss the
13 best ways to use the Legacy Fund. The group ultimately concluded that the Legacy Fund should be used
14 conservatively in the following manner: *allocate 25 percent of annual Legacy Fund earnings from 2017*
15 *through 2039 to bold and visionary purposes that build a bridge to a future.*¹ In our view, using Legacy
16 Fund dollars to prop up the declining coal industry is neither bold nor visionary or a bridge to the future.
17 It would be like investing in efforts to keep Blockbuster Videos open in the mid-2000s as video streaming
18 services were emerging as reliable and consumer trusted method used to watch movies. This is in addition
19 to being a bailout to some of the most profitable industries in the history of the United States. We believe
20 it is unwise and fiscally irresponsible.

21 The other issue we have with this bill is that it will create an ongoing appropriation every two years
22 without oversight or transparency. The public deserves to know what public monies are being spent on.
23 These appropriations in HB 1380 to the “clean sustainable energy fund” is overseen by the “Clean
24 Sustainable Energy Authority”. This Authority would not be subject to the same scrutiny as other funds
25 because of fears over trade secrets and industry competition. In our view, it is not good for the
26 government to provide millions of dollars every two years to various funds without the public having the
27 ability to properly scrutinize the use of the money. Finally, in our view a more appropriate use of the
28 Legacy Fund dollars would be to direct it towards an equitable transition for communities that are reliant
29 on coal and people working in the coal industry through retraining, economic diversification, community
30 development, and transition planning as experts around the country recommend. This is being done in
31 other places like Colorado. Specifically, Colorado Governor Jared Polis created an Office of Just
32 Transition to support coal workers, employers, and communities as they plan for the future closings of
33 coal plants upon which their communities depended upon.² We think using Legacy Fund dollars to fund
34 efforts similar to what Colorado is doing surrounding coal transition would be a more appropriate use of
35 the money.

36 In conclusion HB 1380 represents a bill that allows the misuse of legacy fund dollars without
37 transparency, which could be better spent towards other efforts to diversify North Dakota’s energy
38 economy and retrain workers in coal dependent communities. As a result, we urge the committee to
39 oppose HB 1380 and recommend a DO NOT PASS on HB 1380.

¹ https://www.betterenergy.org/wp-content/uploads/2018/03/North_Dakota_Legacy_Fund_Recommendations.pdf pg. 5

² <https://cdle.colorado.gov/the-office-of-just-transition>