

Testimony of Dakota Resource Council
House Bill 1380
March 17th, 2021

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

Dakota Resource Council (DRC) is a non-partisan grassroots group of landowners, ranchers, farmers, and other citizens. We were founded to watchdog over energy policies that impact family farms and ranches. We stand here today in opposition to HB 1380 because the bill is in our view a misuse of legacy fund dollars, and the bill creates an ongoing appropriation every two years with very little oversight.

The Legacy Fund was created in order to support North Dakota once the coal, oil, and gas industry run their course, not to prop up industries in decline. In 2013, a stakeholder group consisting of elected officials and citizens of all political spectrums met to discuss the best ways to use the Legacy Fund. The group ultimately concluded that the Legacy Fund should be used conservatively in the following manner: *allocate 25 percent of annual Legacy Fund earnings from 2017 through 2039 to bold and visionary purposes that build a bridge to a future*¹. In our view, using Legacy Fund dollars to prop up the declining coal industry is neither bold, or visionary. It would be like investing in efforts to keep Blockbuster Videos open in the mid-2000s as video streaming services were emerging as reliable and consumer trusted method used to watch movies. Other communities throughout the United States are not following in the way this legislative body is looking at how to invest in energy, rather they are divesting from coal and reinvesting into other emerging energy industries and retraining coal workers to be ready for those same emerging industries.

The other issue we have with this bill is that it will create an ongoing appropriation every two years without oversight or transparency. The appropriations that will occur every two years for what is being called the “Clean Sustainable Energy Authority” would not be subject to the same scrutiny as other funds because of fears over trade secrets and industry competition. In our view, it is not good for the government to provide millions of dollars every two years to various funds without the public having the ability to properly scrutinize the use of the money.

Lastly, in our view a more appropriate use of the Legacy Fund dollars would be to direct it towards an equitable transition for communities that are reliant on coal and people working in the coal industry through retraining, economic diversification, community development, and transition planning as experts around the country recommend. This is being done in other places like Colorado. Specifically, Colorado Governor Jared Polis created an Office of Just Transition in order to support coal workers, employers, and communities as they plan for the future closings of coal plants upon which their communities depended upon². We think using Legacy Fund dollars to fund efforts similar to what Colorado is doing surrounding coal transition would be a more appropriate use of the money.

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>

In conclusion HB 1380 represents a bill that allows the misuse of legacy fund dollars, which could be better spent towards other efforts to diversify North Dakota's energy economy and retrain workers in coal dependent communities. As a result, we urge the committee to oppose HB 1380 and recommend a **DO NOT PASS** on HB 1380.