

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/95) 5M



ROLL NUMBER
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DESCRIPTION

30226

2001 HOUSE NATURAL RESOURCES

HCR 3026

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3026

House Natural Resources Committee

Conference Committee

Hearing Date February 15, 2001

Tapo Number	Side A	Side B	Meter #
1	x		1254 to 4090
1		x	1777 to 2104
Committee Clerk Signature <i>D. J. ...</i>			

Minutes:

Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. DeKrey, Rep. Droydal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Rep. Winrich,

Chairman Rennerfeldt: I will call the committee back to order and open the hearing on HCR 3026.

Rep. Mary Ekstrom - Dist. 11: (See written testimony).

Chairman Rennerfeldt: On line 13, you have Minot, Grand Forks and Minot listed?

Ekstrom: The primary reason for that is those are prime load centers. We felt that focusing on where the large load centers and prime sites were would be looked at first.

Chairman Rennerfeldt: I was just wondering why Williston wasn't in there.

Ekstrom: Williston is a prime site and we have had folks out there looking at it.

Rep. Weiler: Line 14, class 5 wind resources, is that the highest?

Ekstrom: Actually there are class 6 sites also.

Rep. Weiler: Is 6 the highest?

Ekstrom: Yes, it is.

Chairman Rennerfeldt: What part of the state has the highest level?

Rep. Kelsh: Somewhere around Edgeley.

Chairman Rennerfeldt: Are there any questions?

(Rep. Ekstrom passes around a map of the state wind classifications.)

Ekstrom: The reason the study is so essential, is the study was done a few years ago and we need to find where those sites are. The other relationship you have to understand is not only the potential for wind energy at that site, but also access to transmission lines.

Rep. Klein: How many are you thinking about putting together in one place?

Ekstrom: To give you an idea, the NSP site presently in Minnesota has 100 machines. The one on the Pemina escarpment will be 75 machines at this point. A machine rated at 1.5 megawatts is about 1.5 million dollars.

Vice Chair Nelson: Two of the problems I see with wind energy development is certainly the capacity of the transmission line and how that affects where the power is going and the other issue I would like someone to explain is the pricing structure. How this power is purchased and how that relates to existing power.

Ekstrom: First about the transmission. It is a problem, we have started talking about it. It is something we have to address. There is more money from developers of wind energy that would help us build these lines. Their problem is access to land and easements. Having to do with pricing structure. I can tell you what the production cost is -- we are about at 4-1/2 cents per

kilowatt hour for wind energy. It is still an expensive way to produce energy. However, the price is dropping. That is why we are seeing green pricing structures. The Moorhead plant had subscribers buy into the green pricing structure. 400 people came together and agreed to pay an extra \$5 per month for three years. That allowed that entity to build that structure. There is a consumer demand for green energy and that is one of the ways it is being marketed.

Vice Chair Nelson: Do you have a time table - getting back to the transmission capacity situation in your meetings as to what is the time table for some steps that will move towards a solution to that problem?

Ekstrom: Those meetings are starting this month. We are looking at easements along the WAPA lines. Underground lines would be cost prohibitive. We want to do this in partnership with the coal fired industry because they have the same problems?

Rep. Nottestad: When you are talking about the use of public lands for these, what type of public lands are you talking about, are you talking about wind farms, or intermediate placement? I do know this that Federal Wildlife wouldn't consider as far as the water fowl deal.

Ekstrom: We have had discussion with the wildlife and CRP lands and I would rather Rep. Kelsh answer that questions. In terms of bird kill, which has always been the issue. The towers we are now using are solid core towers, not the lattice ones. What they found that raptors will perch on those lattice type towers and because you keep the land around those fairly cleared, you can imagine what happens to the rodents, they raptors come down after their food source. Because we have solid towers, we don't have that perching ability. The new machines are very, very large and the blades move very slowly. We are not finding it is a problem.

Rep. Nottestad: Back to one thing you said, you talked about the different CRP ...

Ekstrom: In terms of public land, California is looking for state lands as possible sites for towers. I think it is something we have to look at. I would rather see these on private lands because of the wind rights. What we found is if an owner would allow a developer to put a tower on his land, he still has access to farming or ranching on that land. In addition he is looking at anywhere from \$2,000 to \$3,500 per year per machine for a 32 year period. So in terms of putting a base under our ag producers in our state, it has real benefits for those folks.

Rep. Pam Gulleason - Dist. 65: I just wanted to stop in and show my support for this study.

Harlan Fuglesten - ND Association of REIC's: Two years ago this resolution was here and we took no position on it. During the last couple of years we have seen tremendous growth and interest in wind energy. Many of our coops have cosponsored the meetings going on in respect to wind energy. We are all learning about it. We in the cooperatives have invested about 90% of all coal based energy in North Dakota, but we think wind energy will also have a place here in the state. I noticed just yesterday that Cass County Electric had an article about wind power in North Dakota. I just wanted the committee to know that some of our cooperatives are bring the option of wind energy to their customers.

Rep. Keiser: As you said, the industry is already studying the feasibility of this, what role does the government have in this? What do you see us adding to what you are already doing?

Fuglesten: Certainly there has been a tremendous amount of interest, it is up to the committee to determine whether or not there is a state role to play. I would think that maybe there are some issues that the state would like to lend a hand or understand what is happening out there. We know one of the big problems we face in North Dakota as far as future energy development is the transmission line constraint. If the state wants a role in trying to deal with that issue, it maybe appropriate for the state to be a part of that.

Chairman Rennerfeldt: At the present time it is not feasible because of the cost. How far does it have to come down to beat the coal generated energy?

Fuglesten: I don't profess to be an expert but I understand the costs have gone down substantially in the last 10 years. The technology has improved, but wind energy does not stand now on the same economic footing as coal based generation. That is in fact due to our very efficient coal based industry with very low costs. The other part of the equation is that no matter how efficient wind energy may get, it still only operates when the wind blows, you need to have a dispatch-able energy to back it up. You still have to have the commitment to a firm base of power.

Chairman Rennerfeldt: Wouldn't you eventually have to establish a reserve, or battery system, where you could hold some of that power in reserve?

Fuglesten: That goes well beyond my understanding. As I understand right now, there is no way to store that power.

Rep. Keiser: When they have been developing the costs of wind versus coal or hydro, have they included in that cost of generation, any kind of production taxes or revenues coming back to the state?

Fuglesten: I am not quite sure that I can answer that.

Rep. Nottestad: You spoke about the REC's being interested in going into wind energy. In what way? Are they looking at selling green power like Moorhead did, or just going into it and spreading the excess cost to all members? What way are you looking at.

Fuglesten: For example, in your area, Minnkota Power Cooperative and one of their members are involved in Integrity Wind Energy Program. Cass County Electric is interested in building their own turbine. The purpose of that would be to make it available to consumers at the cost of the

wind energy which is still a premium cost. So the idea would be similar to what is being done by Moorhead Public Service which would be a premium cost and consumers could buy for example a 100 kilowatt hours per month. It would not be spread out.

Chairman Rennerfeldt: Any further questions of the committee? Anyone else care to testify in favor.

Rep. Kelsh: I wasn't going to testify on this resolution, but I thought I would address some of the questions that came up. With regard to storage of electricity, there is no technology or economically feasible way to store electricity, because we haven't had to. So whatever is produced goes out on the lines and if it is used, that's where it ends. There is some technology for a spring type mechanism, but it is quite a few years off. Regarding the cost production versus coal, there are several factors - first of all wind energy is modular so if you put up one machine you are bringing in a bunch of equipment and that increases the cost. If you are building a large facility with several towers you are taking advantage of that crane to build several towers at once. With regard to the needs of Fish and Wildlife and public lands, Mike Macinrow did make an announcement that they will allow single turbines to be constructed on their easements within a certain restriction. With that I would ask for your support of this resolution.

Chairman Rennerfeldt: Any other questions from the committee? Anyone else care to testify in favor of this resolution? Anyone opposed? If not, I will close the hearing on HCR 3026.

#### **COMMITTEE WORK**

Rep. DeKrey: I move a Do Pass.

Rep. Droydal: I second.

Rep. Droydal: Wind energy is something I have kept track of since the early eighties. It is something I think would be good thing for us to get ready for it. I am disappointed in the fact that



there wasn't a balanced sponsorship. When I look at the sponsors on this, it is strictly a political statement. Unfortunately this is a really bad issue for someone to take a political statement on. It is a good issue, and it's going to pass, but not because the Democrats sponsored it.

Chairman Rennerfeldt: I have a problem with it because they mentioned Minot, Grand Forks, Fargo and not anyone else. I wonder if that should be amended out of there. I would offer that amendment.

Rep. DeKrey: I withdraw my Do Pass.

Rep. Droydal: Can I ask a question of Rep. Kelsh. Isn't everyone in North Dakota within 50 miles of a Class 5 zone?

Rep. Kelsh: Yes, that is correct.

Rep. Droydal: I withdraw my second.

Rep. Winrich: I move we delete lines 13 and 14.

Rep. Klein: I second that.

Chairman Rennerfeldt: All in favor of the amendments signify by saying Aye. Opposed?  
Amendment carries.

Rep. DeKrey: I move a Do Pass as Amended.

Rep. Droydal: I second that.

Chairman Rennerfeldt: Any further discussion? If not, all those in favor of HCR 3026 as amended signify by saying Aye. Opposed?

**MOTION FOR A DO PASS AS AMENDED**

**YES, 14                      NO, 0**

**CARRIED BY REP. KELSH**

Date: 2/15/01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3026

House Natural Resources Committee

Subcommittee on \_\_\_\_\_  
or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Rep. ReRny Seconded By Rep. Drovdal

*Withdrawn*

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman			Lyle Hanson		
Jon O. Nelson - Vice Chairman			Scot Kelsh		
Curtis E. Brekke			Lonnie B. Winrich		
Duane DeKrey			Dorvan Solberg		
David Drovdal					
Pat Galvin					
George Keiser					
Frank Klein					
Darrell D. Nottestad					
Todd Porter					
Dave Weiler					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

13062.0101  
Title.0200

Adopted by the Natural Resources  
Committee

February 15, 2001

VR  
2/15/01

HOUSE AMENDMENTS TO HCR 3026  
Page 1, remove lines 13 and 14

HOUSE NATURAL RESOURCES

02/16/01

Renumber accordingly

Date:  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3026

House Natural Resources Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS AS AMENDED

Motion Made By Rep. DeKrey Seconded By Rep. Drovdal

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman			Lyle Hanson		
Jon O. Nelson - Vice Chairman			Scot Kelsh		
Curtis E. Brekke			Lonnie B. Winrich		
Duane DeKrey			Dorvan Solberg		
David Drovdal					
Pat Galvin					
George Keiser					
Frank Klein					
Darrell D. Nottestad					
Todd Porter					
Dave Weiler					

Total (Yes) 14 No \_\_\_\_\_

Absent 1

Floor Assignment Rep. Kelsh

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

VOICE VOTE

REPORT OF STANDING COMMITTEE (410)  
February 16, 2001 8:52 a.m.

Module No: HR-29-3620  
Carrier: S. Kelsh  
Insert LC: 13062.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

**HCR 3026: Natural Resources Committee (Rep. Rennerfeldt, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3026 was placed on the Sixth order on the calendar.

Page 1, remove lines 13 and 14

Renumber accordingly

2001 SENATE NATURAL RESOURCES

HCR 3026

