

Minutes of the  
**EMPOWER NORTH DAKOTA COMMISSION**

August 19<sup>th</sup>, 2013  
Great River Energy  
1611 East Century Avenue  
Bismarck, ND 58503

**Members present:**

Al Anderson, Ron Day, Ron, Ness, Mark Nisbet, Mike Rud, Randy Schneider, Andrea Stomberg, David Straley, Jason Bohrer, John Weeda

**Ex Officio Members:**

Julie Voeck, proxy for John DiDonato  
Jan Rudolf, proxy for Chuck MacFarlane  
Dave Schmitz, proxy for Margaret Hodnik  
Sandi Tabor

**Members present via phone:**

Eric Mack

**Others present:**

Justin Dever, Department of Commerce  
Mike Fladeland, Department of Commerce  
Sherri Frieze, Department of Commerce  
Andrea Holl Pfennig, Department of Commerce  
Karlene Fine, Industrial Commission  
John Olson, NextEra Energy  
Carlee McLeod, Utility Shareholders of ND  
Blake Nixon, Geronimo Energy  
Jay Hesse, Geronimo Energy

**CALL TO ORDER/WELCOME**

Chairman Anderson called the meeting to order at 12:30 p.m. and welcomed Commission members and guests.

**APPROVAL OF MINUTES**

A motion was made by Schneider and seconded by Rud to approve the minutes of July 9<sup>th</sup>, 2013. Motion carried unanimously.

**Industry SWOT Analysis – Preparation and Reporting Schedule**

Tabor discussed the Transmission SWOT and the updated changes.

A copy of the updated Transmission SWOT is attached as Appendix A

The Biomass SWOT is complete, but it will be sent to Commerce to have it condensed for the next meeting.

The Oil and Gas SWOT will be ready at the next meeting. Ness commented that he would like to have Justin Kringstad from the ND Petroleum Association come to the next meeting for a presentation on natural gas flaring. Al then asked the other industries; Ethanol, Wind, Refining, and Petroleum Marketers to be ready with their SWOT analysis for the next meeting.

**Geronimo Energy**

Mark Nisbet, introduced Mr. Blake Nixon, President of Geronimo Energy. Geronimo Energy is a small wind and solar energy company in Edina, Minneapolis that recently announced signing of a long term Wind Energy Purchase Agreement with Xcel Energy for a 200 megawatt wind energy facility in Stutsman County

**Review of RFPs, Ethanol and NGLs**

Mike Fladeland discussed the process.

- The Proposals will be reviewed and finalists will be identified by September 24<sup>th</sup>, 2013.
- Meeting with Evaluation Committee and finalists by October 8th
- Evaluations completed by October 15<sup>th</sup>, 2013.
- State issues Notice of Intent to Award Contract by October 17<sup>th</sup>, 2013.
- State issues contract by October 24<sup>th</sup>, 2013.
- Contract start November 1<sup>st</sup>, 2013.

**ND Century Code Section 57-06-14.1 Extension**

Julie Voeck, Next Era speaking on behalf of John DiDonato and John Olson of Next Era discussed the ND Century Code **57-06-14.1**

**Taxable valuation of centrally assessed wind turbine electric generators.**

Discussion about the provision for incentives for wind economic development is set to expire January 1, 2015. Next Era has asked for support from the Commission for an extension to the deadline. Future discussions will take place before the deadline.

### **OTHER**

Weeda updated members on the North Dakota Studies Energy Curriculum Project. He mentioned that the committee has been getting great response from key stakeholders. Weeda commented that a High School curriculum still needs to be funded and future plans will need to be put in place for that.

Tabor brought forward the issue of EPA, Region 8 and regulatory issues. She discussed the state's interest, a possible subcommittee, and travel plans that would be needed for that person who would join her in forming this subcommittee. Discussion ensued amongst members and Jason Bohrer of the Lignite Council volunteered to join Tabor.

### **FUTURE MEETINGS**

The next meeting date is tentatively planned for October 14<sup>th</sup>, with the location unknown at this time. Sherri will work on the details and notify members as time draws nearer.

### **ADJOURNMENT**

Meeting was adjourned unanimously at 2:30 p.m.

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Al Anderson  
Chairman

Date

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Sherri Frieze  
Recording Secretary

Date

# Transmission

Strengths	Weakness
<ul style="list-style-type: none"> <li>- ND Transmission Authority</li> <li>- Existing transmission system               <ul style="list-style-type: none"> <li>o Reliable</li> <li>o Accommodates existing generation</li> <li>o Robust for serving existing load</li> <li>o Enhancements are being made to serve increasing internal loads</li> </ul> </li> <li>- Favorable state regulatory environment – especially permitting</li> <li>- Favorable terrain for new transmission lines</li> <li>- Coordination by systems to avoid duplication of services</li> <li>- Improved MISO cost allocation system with broad allocation among MISO members</li> </ul>	<ul style="list-style-type: none"> <li>- Transmission system will require enhancements and/or expansion (both cost money) for additional generation export</li> <li>- There may not be a willingness of load regions (typically “urban” states) to pay for transmission system expansion</li> <li>- New transmission required for exports will need to be sited across multi-jurisdictional authorities (North Dakota, South Dakota, Minnesota, Wisconsin, etc)</li> <li>- Limited ability to deal with the intermittent and largely non-controllable nature of wind generation</li> <li>- Renewable development in areas with limited access to market</li> <li>- Cost of new renewable development must include cost of interconnection and transmission</li> <li>- Complexity of interconnection between two operating systems</li> <li>- Interconnection study process</li> <li>- Extremely limited access to western interconnection</li> <li>- Increasing demand for experienced and qualified employees</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Transmission system can generally support an expanding load base due to oil development and ethanol / bio-diesel plants</li> <li>- Extensive transmission additions are not needed to serve ND load</li> <li>- Renewable Portfolio Standards</li> <li>- Development of new technologies may enhance transmission capability</li> <li>- Funding capability, e.g. tax-exempt bonds</li> </ul>	<ul style="list-style-type: none"> <li>- Allocation of transmission costs ... urban vs. rural</li> <li>- Lack of understanding regarding the complexity of planning and costs of infrastructure by government officials and the public</li> <li>- Potential erosion of rates of return on lines</li> <li>- Increasingly difficult to obtain right-of-way</li> <li>- Indiscriminate purchase of wetlands and conservation easements in the prairie pothole regions of the Dakotas by government agencies</li> <li>- Lack of administrative process and common sense in federal guidelines related to endangered species as it pertains to transmission siting</li> <li>- Public perspective in other states may inhibit the ability to site new transmission facilities</li> <li>- Siting of high voltage lines may raise NIMBY concerns</li> </ul>