



NEWS RELEASE
Oct. 14, 2015

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Statistics Show North Dakota Continues to be a Major Energy Exporter Throughout the Midwest

BISMARCK, ND – North Dakota Public Service Commission (PSC) Chairman Julie Fedorchak today reported that more than 16 percent of the retail electricity sold in North Dakota in 2014 was from renewable sources. North Dakotans consumed a total of 16 million megawatt hours (MWh) in 2014, of which 2.6 million MWh were renewable.

The statistics were part of the PSC's report to the Legislature's interim committee on Energy Development and Transmission. North Dakota generated a total of 36 million MWh of electricity in 2014 including 27 million MWh of coal-fired energy and 8.8 million MWh of renewable energy including 6.3 million MWh of wind energy.

"These statistics show that with 36 million megawatt hours of electricity generated and 16 million consumed in state, North Dakota exported 20 million megawatt hours of electricity," Fedorchak said. "Our own energy needs are growing, but we continue to be a huge generator and exporter of electricity to people throughout the Midwest who rely on North Dakota's clean, reliable, low cost energy."

Fedorchak also noted that carbon dioxide emissions in North Dakota have dropped by more than 15 percent since 2002.

"Our experience proves that, given appropriate goals and incentives, the power sector will incorporate renewable technologies without impacting reliability, with modest cost impacts and while allowing a real path forward for all fuel types including coal," Fedorchak said. "This is the approach Congress and the EPA should continue taking – policies that provide incentives and support innovation. Instead, the Clean Power Plan (CPP) provides a very different, heavy-handed regulatory approach."

The PSC filed comments regarding EPA's proposed rule cautioning that the plan is uneconomic, uses unrealistic assumptions, and violates the Federal Power Act that gives states decision-making authority over their power supply. Under the enacted rule, North Dakota's reduction mandate quadrupled from the proposed rule.

Fedorchak outlined three broad concerns about the Clean Power Plan for the committee:

- 1. The Plan invades state authority:** The Federal Power Act gives North Dakota exclusive authority to regulate the retail electricity market.
 - In North Dakota, the PSC works with investor-owned utilities to determine the appropriate generation mix to meet forecasted load at the lowest reasonable cost.

- The rule invades this authority and preempts the state from implementing its own renewable energy goals and from maintaining overall management and cost controls.
2. **The Plan raises significant electric reliability concerns:** While the state is still trying to understand EPA assumptions behind North Dakota’s mandated reductions, any path toward compliance by 2022 points to significant coal retirements.
- Since nearly 80 percent of electricity sold in North Dakota comes from coal-fired generation facilities that customers are still paying for, this timeframe is a real concern.
 - The impacts of retirements on reliability have not been modeled and companies haven’t begun the five-plus year planning process to replace these facilities.
3. **The Plan threatens to substantially raise consumer rates:**
- In order to continue operating North Dakota plants at their current capacity, North Dakota utility customers would need to purchase \$375 million of CO2 credits every year based on the \$30/ton cost estimated by the EPA in its plan.
 - In a rate-based calculation, North Dakota would need 4,840 *more* megawatts of wind in order to meet our goal. This would cost an estimated \$8.6 billion and would cover nearly one million acres of land.
 - In addition to new investment, North Dakota residents and businesses will be responsible for paying remaining costs for useful existing facilities forced to retire prematurely.
 - Customers will also pay the cost of infrastructure needed to serve new generation facilities including transmission lines and pipelines to fuel natural combined-cycle power plants.

“The EPA’s Clean Power Plan results in a less than 1 percent reduction in total global carbon dioxide emissions,” Fedorchak said. “These modest environmental benefits do not justify the far-reaching negative effects including significantly higher energy prices, threats to electric reliability and significant damage to North Dakota’s coal industry and the 20,000 people it employs.”

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or www.psc.nd.gov.

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