

Testimony by Mike Clemens, Wimbledon, ND; Chair of the ND Renewable Energy Partnership
April 3, 2007, Fargo, ND

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Senator Conrad and members of the Senate Agriculture Committee,

Thank you for this opportunity to testify on behalf of the ND Renewable Energy Partnership and our vision that ND can be a national leader in the production of renewable energy. It has been my privilege this past year to serve as chair of the ND Renewable Energy Partnership. This group consists of a cross section of over 40 organizations representing both the public and private sector and has devoted enormous amounts of time and energy to promoting the development of renewable energy in ND. Included in my written testimony is a list of the partnership's members. The membership ranges from private citizens to groups representing a large consistency such as Xcel Energy, ND Association of Rural Electric Cooperatives, and the ND Farmer's Union. The membership represents a significant portion of agricultural groups. However, the benefits of developing North Dakota's renewable energy industry positively affect every North Dakota citizen's life. Increased use of renewable energy means cleaner air for all ND citizens not just farmers. And it will be all citizens, not just farmers, who will benefit from the higher paying jobs and additional state tax revenue from renewable energy industries. It is North Dakota citizens across the state, not just farmers, who support reducing our dependence on foreign oil.

I'd like to start by referencing the study that the NDREP conducted this past summer in cooperation with the ND Department of Commerce. The study, conducted by the UND Dept of Governmental Affairs, assessed the opinions of 600 North Dakotans regarding renewable energy in ND. The results indicated that:

? 93 percent of North Dakotans surveyed believe that renewable energy should be a priority of our state legislature.

? 96 percent believe that we should reduce our dependence on foreign sources of oil by promoting renewable sources of energy and energy conservation.

? 87 percent support a tax advantage for ethanol that makes ethanol cheaper than regular gasoline.

? 83 percent believe the state legislature should provide incentives that encourage the production and use of biodiesel.

? 80 percent say that the legislature should provide funding for research and incentives for biomass.

? 81 percent would support a law requiring utilities to generate 10% of their electricity from renewable sources.

? Only 13 percent favored fossil fuels for new electricity if they had to choose only one source, while 80 percent prefer wind or other renewables and energy conservation.

? More than half were concerned about out-of-state interests owning North Dakota wind projects.

In response to the results of this survey, the Partnership's main focus this legislative session has been SB 2288. The main objectives of this bill are the establishment of a comprehensive renewable energy policy for ND, a Renewable Energy Research Council, development fund, incentives, and appropriations for those provisions by the state of North Dakota. The original legislation called for \$20 million.

My written testimony includes 22 projects that could be funded via a competitive process established by a Renewable Energy Research Council. Briefly, nine of the 22 projects include:

? Fund advanced renewable energy commercialization. Provide competitive awards to companies interested in commercializing promising technologies in North Dakota. Eligible awards would include FEED studies, grants to be matched with private-sector, and federal or other non-state investment in demonstrations. Range: \$2,500,000-\$5,000,000

? FEED study. Provide funds for a front-end engineering and design study for a cellulosic ethanol and nanowiskers project. Range: \$1,500,000-\$2,000,000

? Dairy waste anaerobic digestion demonstration project. Mature technology now exists to provide low cost renewable energy to dairy farms that handle their manure as liquids and slurries. The EPA's AgStar program estimates that many anaerobic digester biogas systems can be installed with a simple payback of 3-7 years. Range: \$200,000-\$300,000

? Cost-share assistance for the installation of infrastructure to sell and distribute ethanol blends greater than 10% and biodiesel. Range: \$750,000

? Support of ethanol processing for hydrogen production - system integration. Range: \$30,000-\$50,000

(next four focus on biodiesel)

? Study and develop new feed rations using glycerin as a feed supplement. Range: \$125,000

? Develop newer, better and faster testing methods for biodiesel analysis. Range: \$75,000

? Support of biodiesel cold flow and fuel property quantification with Ultra-low sulfur diesel (ULSD). This is important in cold weather climates like North Dakota. Range: \$60,000 - \$160,000

? Cold Room testing of biodiesel blends in vehicles. This relates to how biodiesel blends work with ULSD diesel fuel Range: \$100,000

The message of the NDREP to your committee, distinguished guests, is that ND citizens are very aware of the state's potential for producing renewable energy and are very supportive of using public funds for the development of renewable energy. The Partnership is passionate about the growth of renewable energy in ND and looks forward to supporting and advancing your work toward growing the nation's renewable energy resources in this next Farm Bill.