



- **NDCC 54-63.1 Overview**



NORTH DAKOTA ENERGY PRODUCTION RANKINGS

- #3 Producer of Crude Oil (2021)
- #5 Wind Generated Electricity (2020)
- #10 Ethanol Production (2020)
- #1 Lignite Production (2020)
- #5 Producer of Coal (2020)
- #11 Natural Gas Production (2020)



POLICY GOAL: NORTH DAKOTA CARBON NEUTRAL BY 2030



Gov. Doug Burgum calls for North Dakota to be carbon neutral by 2030

Speaking before hundreds of oil industry operators and executives, the Republican governor advocated for a path to retain the core place of the state's fossil fuel industries while dramatically reducing their carbon footprint.

Written By: Adam Willis | 0:30 pm, May 12, 2021

North Dakota governor believes state could one day be net carbon negative, sets goal for neutrality by 2030

By Renee Jones | rjones@ndcourier.com | Mar 15, 2021 | Updated on 05/12/2021

A Carbon-Neutral North Dakota

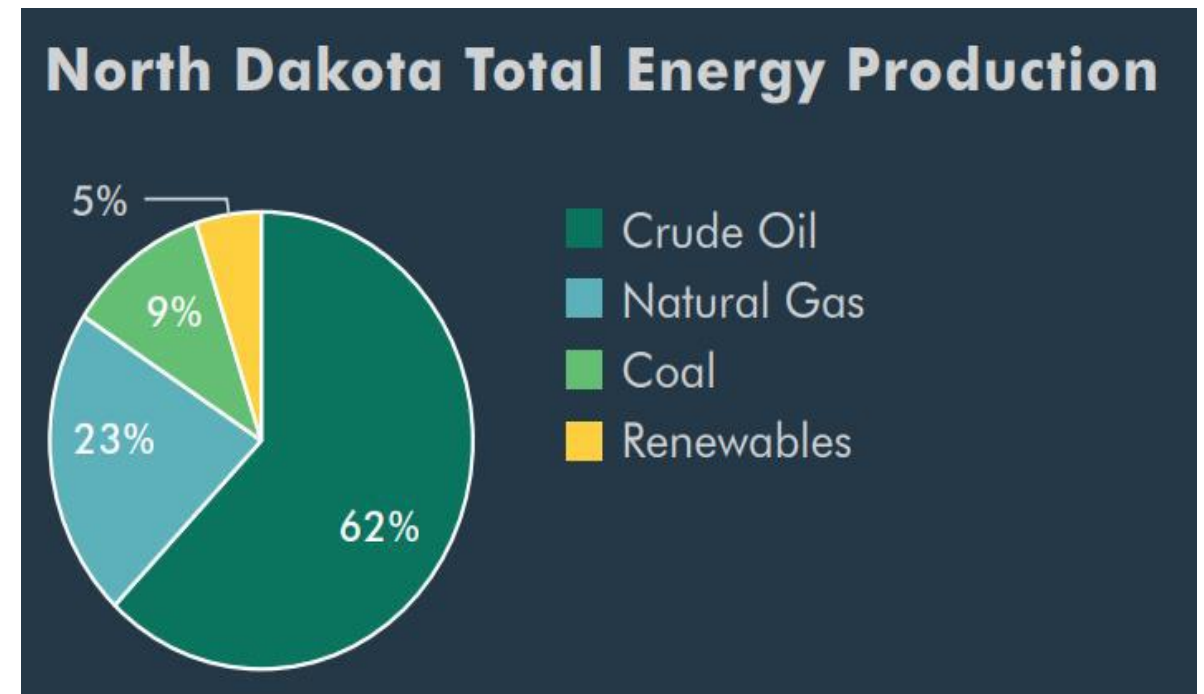
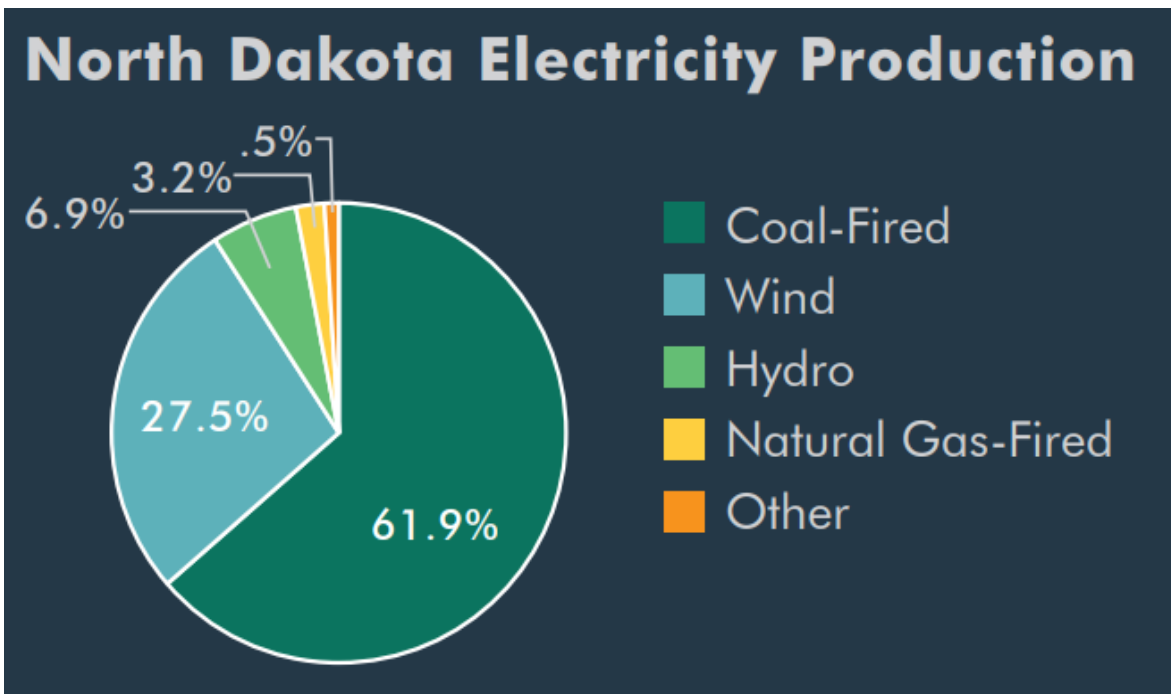
North Dakota Governor Doug Burgum has set a goal to make the nation's second largest oil-producing state carbon-neutral by 2030.

By ESG Review Staff - May 10, 2021

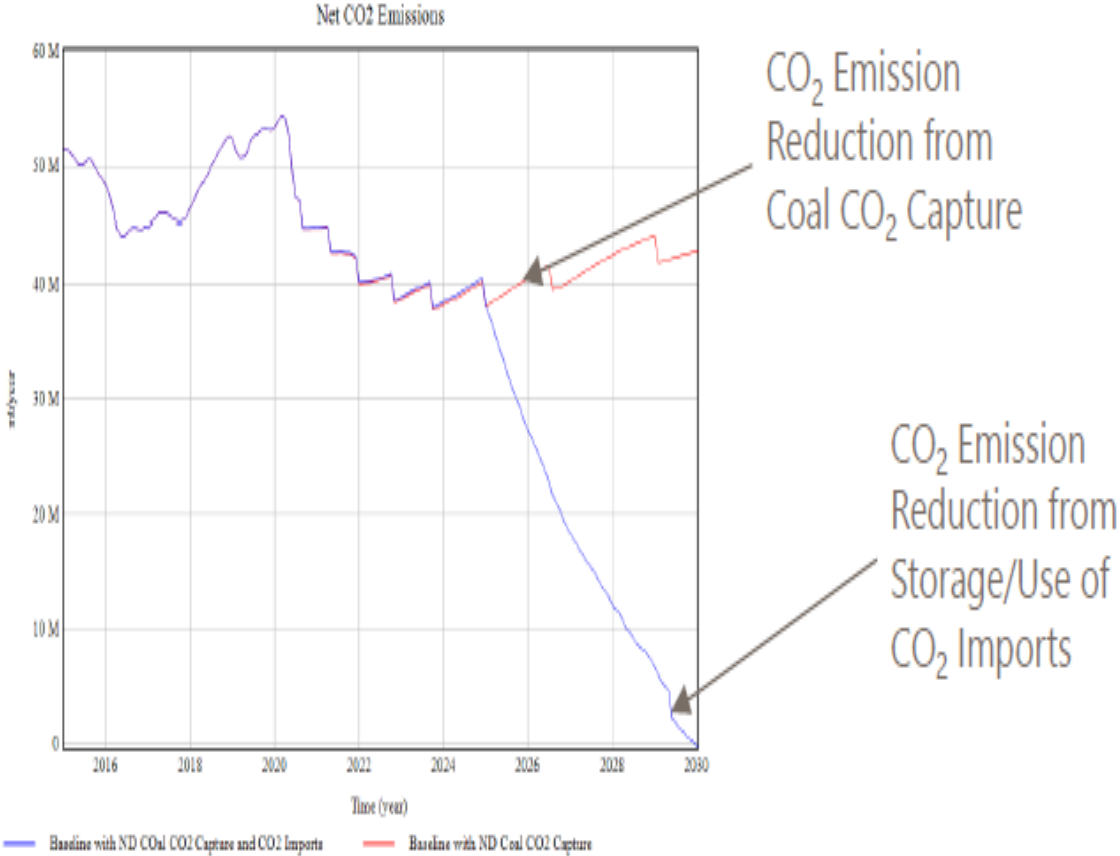
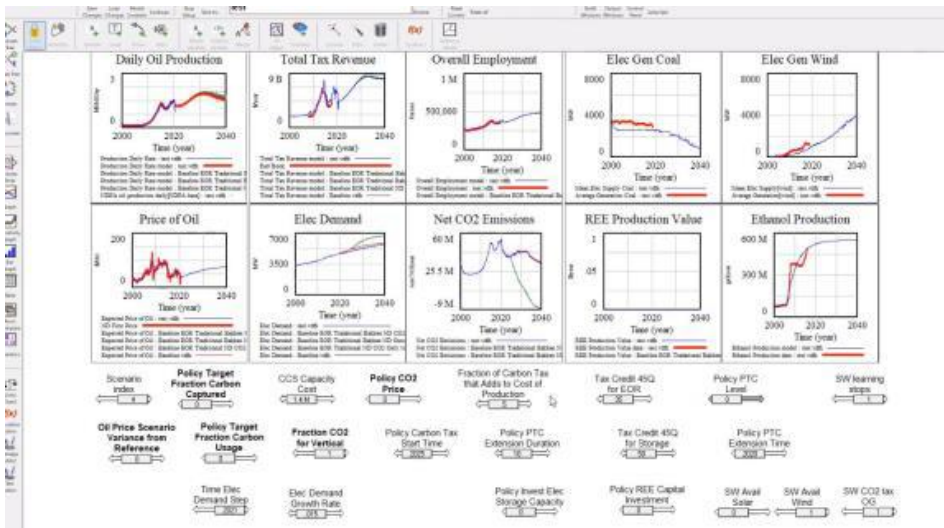
North Dakota Carbon Neutral by 2030 through a Just Transition

07 June 2021 | Christine Chow

NORTH DAKOTA'S ALL-OF-THE-ABOVE ENERGY POLICY SUPPORTS A RESILIENT, DIVERSE PORTFOLIO



PATH TO CARBON NEUTRALITY THROUGH INNOVATION, NOT REGULATION





- Reinvesting production and extraction taxes:
 - Lignite Research Fund (\$0.10/ton up to \$7.5m)
 - Oil and Gas Research Fund (2% up to \$10m)
 - Renewable Energy Fund (20.5% up to \$3m)
- Clean Sustainable Energy Fund
 - Develop and commercialize low emissions technologies
 - \$25 million in grants
 - \$250 million Line-of-Credit
- CCUS sales and use tax exemption
- Allow utility rate recovery for CCUS costs



There is created the clean sustainable energy authority to support research, development, and technological advancements through partnerships and financial support for the large-scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery.

PURPOSE

- To enhance the production of clean sustainable energy, to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state's economy.



MEMBERS OF CSEA



INDUSTRIAL COMMISSION

VOTING MEMBERS

LT. GOV. SANFORD (CHAIR) LEGISLATIVE MANAGEMENT)

JIM ARTHAUD (OIL & GAS RESEARCH COUNCIL)

JOEL BROWN (WESTERN DAKOTA ENERGY ASSOCIATION)

AL CHRISTIANSON (RENEWABLE ENERGY COUNCIL)

CHRISTOPHER FRIEZ (LIGNITE RESEARCH COUNCIL)

TERRY GOERGER (RENEWABLE ENERGY COUNCIL)

MAC MCLENNAN (LIGNITE RESEARCH COUNCIL)

KATHY NESET (OIL & GAS RESEARCH COUNCIL)

NONVOTING TECHNICAL ADVISORS

TOM ERICKSON (STATE ENERGY RESEARCH CENTER)

DAVE GLATT (DEPARTMENT OF ENVIRONMENTAL QUALITY-DEQ)

LYNN HELMS (DEPARTMENT OF MINERAL RESOURCES-DMR)

JUSTIN KRINGSTAD (PIPELINE AUTHORITY)

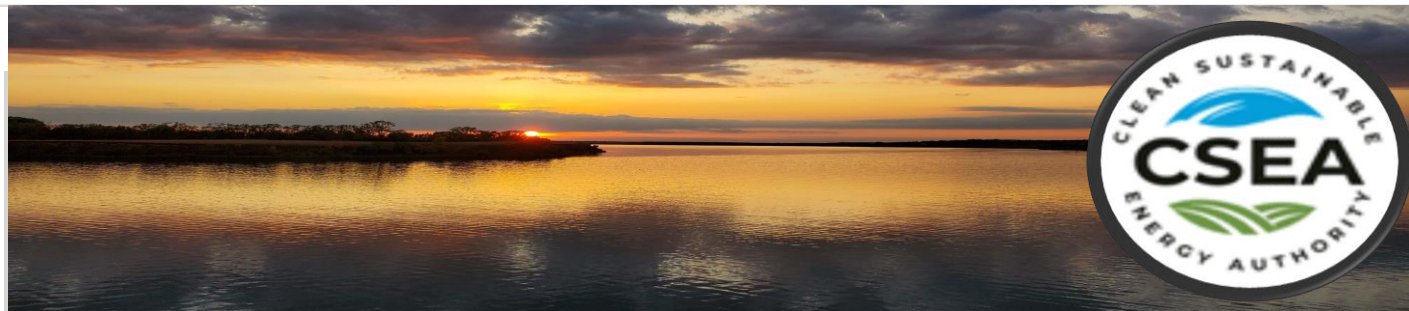
JAMES LEIMAN (COMMERCE)

RACHEL RETTERATH (OUTDOOR HERITAGE FUND)

TODD STEINWAND (BANK OF NORTH DAKOTA)

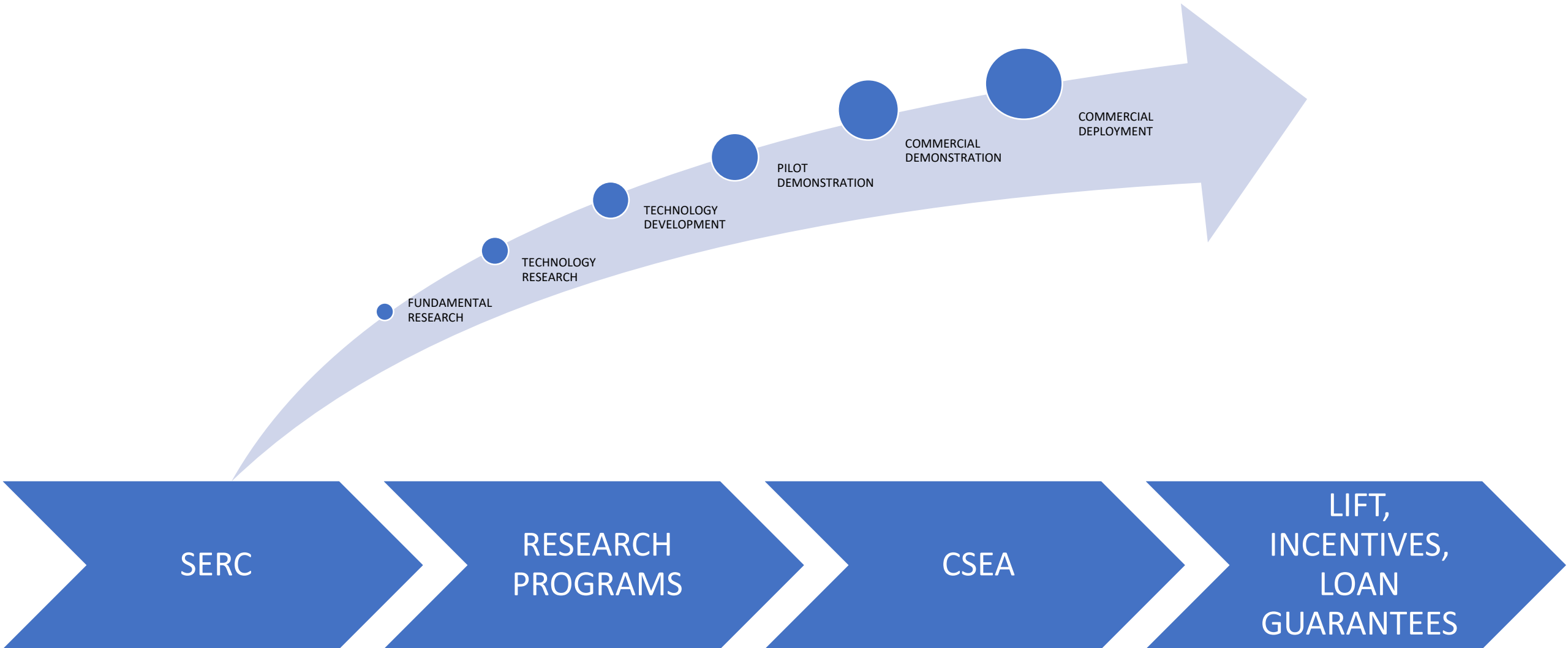
JOHN WEEDA (TRANSMISSION AUTHORITY)

CSEA PROGRAM FUNDING

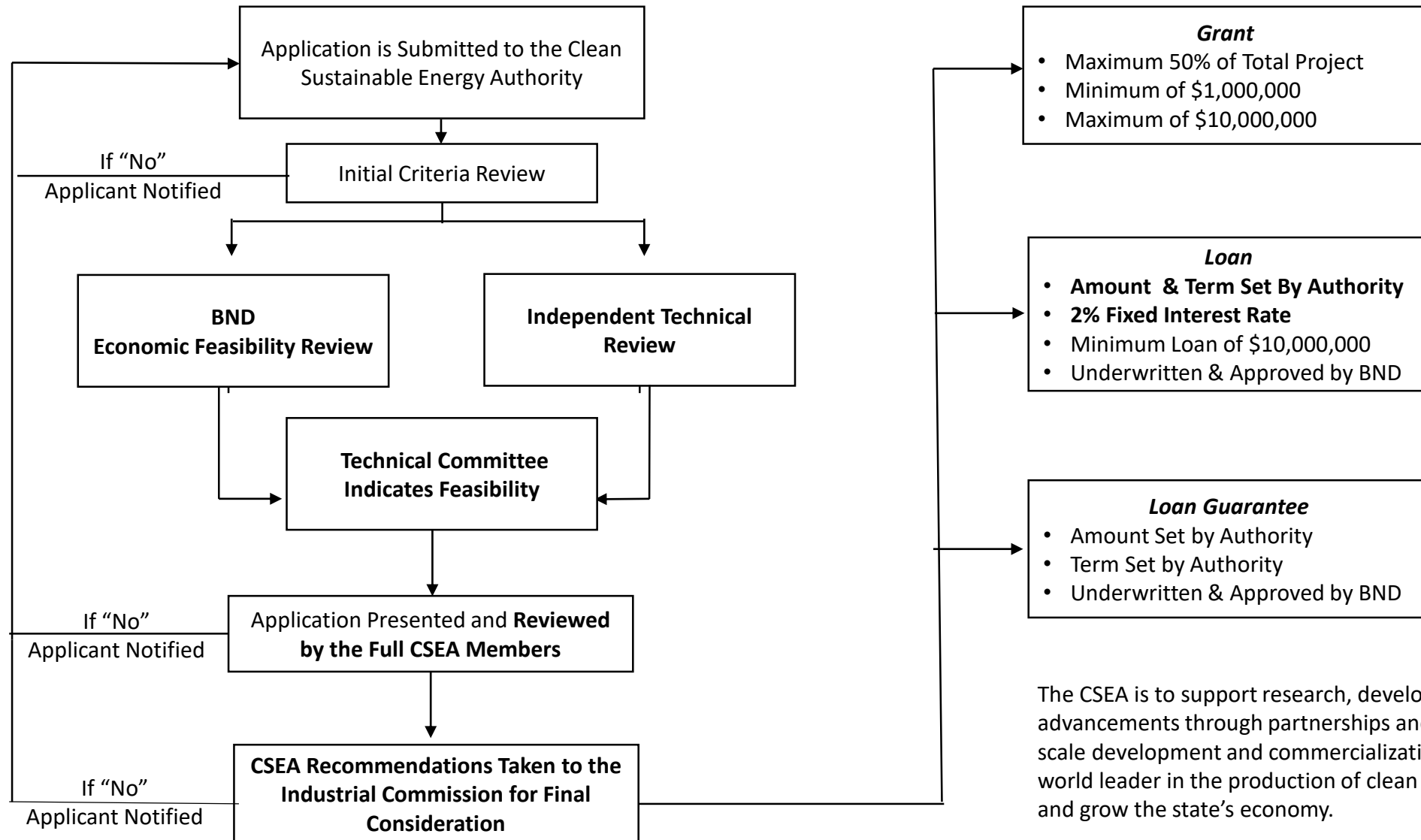


CURRENT	HB 1452 \$25 million for Clean Sustainable Energy Research and Development (General Fund)	HB 1452/HB 1015 Authority to borrow up to \$250 million from Bank of North Dakota
	SB 2345 Appropriated \$20 million for hydrogen development grants via Clean Sustainable Energy Authority	
FUTURE	HB 1380 Stream of \$30 million for Clean Sustainable Energy Research and Development	

RESEARCH & DEVELOPMENT PATHWAY & FUNDING



CSEA Process Flow For Project Review and Approval



The CSEA is to support research, development and technological advancements through partnerships and financial support for the large-scale development and commercialization of projects...to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state's economy.

*Bold items outlined in statute.

LEGISLATIVE GUIDANCE

PRIORITIZE BASED ON:

1. Transformative
2. Industry Impact
3. Timeliness
4. Partnerships



The Six Projects And Their Funding Awards Are As Follows:

APPLICATION	APPLICANT	GRANT AWARD	LOAN AWARD
1. Production of Blue Hydrogen-Dakota H2 Hub	BakkenEnergy LLC	\$10 Million	\$80 Million
2. Converting Gas to Value-Added Projects-Cerilon GTL	Cerilon GTL ND Inc.	\$7 Million	\$40 Million
3. Unlocking the Full Potential of Produced Water as a Key Component of Clean Sustainable Energy	Wellspring Hydro	\$1 Million	
4. Commercial Deployment of Carbon Dioxide Capture & Geological Sequestration in McLean County	Midwest AgEnergy Group	\$3 Million	
5. Front-End Engineering and Design for CO2 Capture at Coal Creek Station	Energy & Environmental Research Center	\$7 Million	
6. Solving North Dakota Flaring: Mobile Flare Gas Capture & Fueling Platform Expansion	Valence Natural Gas Solutions		\$15 Million
Total		\$28 Million	\$135 Million

ROADMAP TO
CARBON
NEUTRALITY

Subsurface Sequestration

Markets for Reuse

Diversify Generation

Leverage Agriculture Utilization

CSEA GRANT ROUND 1 LEARNINGS



Application Forms:

Expectations with regards to confidentiality

Technical Committee Review:

Differentiation based on Legislative intent

Use of Executive Session:

Balance with public and confidential information

Participant Fairness:

Presentation times versus questioning responses

CSEA PROGRAM DEMANDS



	APPLICATION			AWARD		
	Project #	Grant (\$M)	Loan (\$M)	Project #	Grant (\$M)	Loan (\$M)
Grant Round 1 (November 1, 2021)	10	62	165	6	28	135
Grant Round 2 (March 1, 2022)	10	47	225*			
Total	20	109	390			

* One applicant indicated a need for an additional \$150 million



THANK YOU

WEBSITE:
<http://www.nd.gov/ndic/CSEA-infopage.htm>