

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1096**

Introduced by

Energy and Natural Resources Committee

(At the request of the Public Service Commission)

1 A BILL for an Act to create and enact sections 49-22-25, 49-22-26, 49-22.1-23, and 49-22.1-24
2 of the North Dakota Century Code, relating to energy conversion and transmission siting and
3 facilities; to amend and reenact subsection 3 of section 49-22-03, section 49-22-07.2,
4 subsection 2 of section 49-22-09.2 as amended in section 1 of House Bill No. 1158, as
5 approved by the sixty-seventh legislative assembly, subsections 1 and 4 of section 49-22-13,
6 subsection 1 of section 49-22-22, subsections 3 and 7 of section 49-22.1-01, section
7 49-22.1-05, subsections 1 and 4 of section 49-22.1-10, and subsection 1 of section 49-22.1-21
8 of the North Dakota Century Code, relating to energy conversion and transmission siting and
9 facilities and allocation of moneys paid to mitigate adverse environmental impacts; and to
10 repeal section 49-22.1-22 of the North Dakota Century Code, relating to removal of electrical
11 standards requirement from gas and liquid energy transmission facilities.

12 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

13 **SECTION 1. AMENDMENT.** Subsection 3 of section 49-22-03 of the North Dakota Century
14 Code is amended and reenacted as follows:

- 15 3. "Construction" includes a clearing of land, excavation, or other action affecting the
16 environment of the site after April 9, 1975, but does not include activities:
- 17 a. Conducted wholly within the geographic location for which a utility has previously
18 obtained a certificate or permit under this chapter, or on which a facility was
19 constructed before April 9, 1975, if:
- 20 (1) The activities are for the construction of the same type of facility as the
21 existing type of facility as identified in a subdivision of subsections 5 or ~~426~~
22 of this section and the activities are:
- 23 (a) Within the geographic boundaries of a previously issued certificate or
24 permit;

- 1 (b) For an electric energy conversion facility constructed before April 9,
2 1975, within the geographic location on which the facility was built; or
3 (c) For an electric transmission facility constructed before April 9, 1975,
4 within a width of three hundred fifty feet [106.68 meters] on either side
5 of the centerline;
- 6 (2) Except as provided in subdivision b, the activities do not affect any known
7 exclusion or avoidance area;
- 8 (3) The activities are for the construction:
- 9 (a) Of a new electric energy conversion facility;
- 10 (b) Of a new electric transmission facility;
- 11 (c) To improve the existing electric energy conversion facility or electric
12 transmission facility; or
- 13 (d) To increase or decrease the capacity of the existing electric energy
14 conversion facility or electric transmission facility; and
- 15 (4) Before conducting any activities, the utility certifies in writing to the
16 commission that:
- 17 (a) The activities will not affect a known exclusion or avoidance area;
- 18 (b) The activities are for the construction:
- 19 [1] Of a new electric energy conversion facility;
- 20 [2] Of a new electric transmission facility;
- 21 [3] To improve the existing electric energy conversion or electric
22 transmission facility; or
- 23 [4] To increase or decrease the capacity of the existing electric
24 energy conversion facility or electric transmission facility; and
- 25 (c) The utility will comply with all applicable conditions and protections in
26 siting laws and rules and commission orders previously issued for any
27 part of the facility.
- 28 b. Otherwise qualifying for exclusion under subdivision a, except that the activities
29 are expected to affect a known avoidance area and the utility before conducting
30 any activities:
- 31 (1) Certifies in writing to the commission that:

- 1 (a) The activities will not affect a known exclusion area;
- 2 (b) The activities are for the construction:
- 3 [1] Of a new electric energy conversion facility;
- 4 [2] Of a new electric transmission facility;
- 5 [3] To improve the existing electric energy conversion facility or
- 6 electric transmission facility; or
- 7 [4] To increase or decrease the capacity of the existing electric
- 8 energy conversion facility or electric transmission facility; and
- 9 (c) The utility will comply with all applicable conditions and protections in
- 10 siting laws and rules and commission orders previously issued for any
- 11 part of the facility;
- 12 (2) Notifies the commission in writing that the activities are expected to impact
- 13 an avoidance area and provides information on the specific avoidance area
- 14 expected to be impacted and the reasons why impact cannot be avoided;
- 15 and
- 16 (3) Receives the commission's written approval for the impact to the avoidance
- 17 area, based on a determination that there is no reasonable alternative to the
- 18 expected impact. If the commission does not approve impacting the
- 19 avoidance area, the utility must obtain siting authority under this chapter for
- 20 the affected portion of the site or route. If the commission fails to act on the
- 21 notification required by this subdivision within thirty days of the utility's filing
- 22 the notification, the impact to the avoidance area is deemed approved.
- 23 c. Incident to preliminary engineering or environmental studies.

24 **SECTION 2. AMENDMENT.** Section 49-22-07.2 of the North Dakota Century Code is

25 amended and reenacted as follows:

26 **49-22-07.2. Waiver of procedures and time schedules.**

27 Any utility which proposes to construct an electric energy conversion facility or an electric

28 transmission facility within the state may make an application to the commission for a waiver of

29 any of the procedures or time schedules set forth in this chapter or in the rules adopted

30 pursuant to this chapter. The commission, ~~after hearing and~~ upon a finding that the proposed

31 facility is of such length, design, location, or purpose that it will produce minimal adverse effects,

1 or, ~~after hearing and~~ upon a finding that a demonstrable emergency exists ~~which requires-~~
2 ~~immediate construction and that adherence to the procedures and time schedules would-~~
3 ~~jeopardize the utility's system,~~ may issue an order waiving specified procedures and time
4 schedules required by this chapter or by the rules adopted pursuant to this chapter, including,
5 but not limited to, applications, notices, and hearings, and may forthwith issue a certificate of
6 site compatibility, a certificate of corridor compatibility, or a route permit, with such conditions as
7 the commission may require.

8 **SECTION 3. AMENDMENT.** Subsection 2 of section 49-22-09.2 of the North Dakota
9 Century Code as amended in section 1 of House Bill No. 1158, as approved by the
10 sixty-seventh legislative assembly, is amended and reenacted as follows:

- 11 2. The agriculture commissioner shall deposit any moneys paid to mitigate the adverse
12 direct environmental impacts of a proposed site, corridor, route, or facility as follows:
13 a. Fifty percent into the environmental impact mitigation fund; and
14 b. Fifty percent into the federal environmental law impact review fund.

15 **SECTION 4. AMENDMENT.** Subsections 1 and 4 of section 49-22-13 of the North Dakota
16 Century Code are amended and reenacted as follows:

- 17 1. The commission shall hold a public hearing in each county in which any portion of a
18 site, corridor, or route is proposed to be located in an application for a certificate or a
19 permit. If the commission determines there is an emergency that would prevent an
20 in-person hearing in the county in which any portion of a site, corridor, or route is
21 proposed, a remote public hearing may be held. At the public hearing, any person may
22 present testimony or evidence relating to the information provided in the application,
23 the criteria developed pursuant to section 49-22-05.1, and the factors to be considered
24 pursuant to section 49-22-09. If the commission determines there are no adequate
25 facilities to conduct a public hearing within the county in which any portion of a site,
26 corridor, or route is proposed to be located in, the public hearing must be held in the
27 nearest adequate location. When more than one county is involved, the commission
28 may hold a consolidated hearing in one or more of the affected counties. A hearing for
29 any county shall not be consolidated if five or more affected landowners in such
30 county file a petition with the commission within ten days of the publication of the
31 notice of hearing.

1 4. Notice of a public hearing shall be given by the commission by service on such
2 persons and agencies that the commission may deem appropriate and twice by
3 publication, once at least twenty days prior to such hearing and a second time within
4 twenty days prior to such hearing. Notice of a public hearing and notice of opportunity
5 for a public hearing on an application for a certificate, a permit, a transfer or
6 amendment of a certificate or permit, or a waiver shall be given at the expense of the
7 applicant. In an emergency the commission, in its discretion, may notice a hearing
8 upon less than twenty days.

9 **SECTION 5. AMENDMENT.** Subsection 1 of section 49-22-22 of the North Dakota Century
10 Code is amended and reenacted as follows:

- 11 1. Every applicant under this chapter shall pay to the commission an application fee:
- 12 a. An applicant for a certificate of site compatibility shall pay an amount equal to five
13 hundred dollars for each one million dollars of investment in the facility.
- 14 b. An applicant for a certificate of corridor compatibility shall pay an amount equal to
15 five thousand dollars for each one million dollars of investment in the facility.
- 16 c. An applicant for a waiver shall pay the amount which would be required for an
17 application for a certificate of site or corridor compatibility for the proposed facility.
18 If a waiver is not granted for a proposed facility, such application fee paid shall be
19 allowed as a credit against fees payable under this section in connection with an
20 application under this chapter for a certificate or permit for the proposed facility.
- 21 d. An applicant requesting an amendment to a certificate or permit or for a transfer
22 of a certificate or permit shall pay an amount to be determined by the commission
23 to cover anticipated expenses of processing the application.
- 24 e. An applicant certifying to the commission under subsection 3 of section 49-22-03
25 shall pay an amount to be determined by the commission to cover anticipated
26 expenses of processing the application.
- 27 f. The application fee under subdivision a, b, or c may not be less than ten
28 thousand dollars nor more than one hundred thousand dollars.
- 29 g. If an application fee is less than twenty-five thousand dollars, an applicant may
30 agree to pay additional fees that are reasonably necessary for completion of the
31 site, corridor, or route evaluation and designation process.

1 **SECTION 6.** Section 49-22-25 of the North Dakota Century Code is created and enacted as
2 follows:

3 **49-22-25. Approval for temporary operation or variance.**

- 4 1. The commission may approve temporary operation of facilities or a temporary
5 variance from approved construction, operation, or maintenance of facilities upon a
6 showing of good cause and receipt of a utility certification that the activities will have
7 no adverse impacts upon the welfare of the citizens of this state or the environment.
8 2. The commission may issue a temporary approval or variance without the necessity of
9 notice, publication, or public hearing with any additional terms, conditions, or
10 modifications deemed necessary to minimize impacts.

11 **SECTION 7.** Section 49-22-26 of the North Dakota Century Code is created and enacted as
12 follows:

13 **49-22-26. Protection of cultural or historic site data.**

14 The commission may limit access to, and release of, information that contains data that
15 specifically identifies the location of cultural, archaeological, historical, or paleontological sites.

16 **SECTION 8. AMENDMENT.** Subsections 3 and 7 of section 49-22.1-01 of the North Dakota
17 Century Code are amended and reenacted as follows:

- 18 3. "Construction" includes a clearing of land, excavation, or other action affecting the
19 environment of the site after April 9, 1975, but does not include activities:
20 a. Conducted wholly within the geographic location for which a utility has previously
21 obtained a certificate or permit under this chapter, or on which a facility was
22 constructed before April 9, 1975, if:
23 (1) The activities are for the construction of the same type of facility as the
24 existing type of facility as identified in subsection 56 or 427 and the activities
25 are:
26 (a) Within the geographic boundaries of a previously issued certificate or
27 permit;
28 (b) For a gas or liquid energy conversion facility constructed before
29 April 9, 1975, within the geographic location on which the facility was
30 built; or

- 1 (c) For a gas or liquid transmission facility constructed before April 9,
2 1975, within a width of three hundred fifty feet [106.68 meters] on
3 either side of the centerline;
- 4 (2) Except as provided in subdivision b, the activities do not affect any known
5 exclusion or avoidance area;
- 6 (3) The activities are for the construction:
- 7 (a) Of a new gas or liquid energy conversion facility;
- 8 (b) Of a new gas or liquid transmission facility;
- 9 (c) To improve the existing gas or liquid energy conversion facility, or gas
10 or liquid, transmission facility; or
- 11 (d) To increase or decrease the capacity of the existing gas or liquid
12 energy conversion facility or gas or liquid transmission facility; and
- 13 (4) Before conducting any activities, the utility certifies in writing to the
14 commission that:
- 15 (a) The activities will not affect a known exclusion or avoidance area;
- 16 (b) The activities are for the construction:
- 17 [1] Of a new gas or liquid energy conversion facility;
- 18 [2] Of a new gas or liquid transmission facility;
- 19 [3] To improve the existing gas or liquid energy conversion or gas or
20 liquid transmission facility; or
- 21 [4] To increase or decrease the capacity of the existing gas or liquid
22 energy conversion facility or gas or liquid transmission facility;
23 and
- 24 (c) The utility will comply with all applicable conditions and protections in
25 siting laws and rules and commission orders previously issued for any
26 part of the facility.
- 27 b. Otherwise qualifying for exclusion under subdivision a, except that the activities
28 are expected to affect a known avoidance area and the utility before conducting
29 any activities:
- 30 (1) Certifies in writing to the commission:
- 31 (a) The activities will not affect any known exclusion area;

- 1 (b) The activities are for the construction:
- 2 [1] Of a new gas or liquid energy conversion facility;
- 3 [2] Of a new gas or liquid transmission facility;
- 4 [3] To improve the existing gas or liquid energy conversion facility or
- 5 gas or liquid facility; or
- 6 [4] To increase or decrease the capacity of the existing gas or liquid
- 7 energy conversion facility or gas or liquid transmission facility;
- 8 and
- 9 (c) The utility will comply with all applicable conditions and protections in
- 10 siting laws and rules and commission orders previously issued for any
- 11 part of the facility;
- 12 (2) Notifies the commission in writing that the activities are expected to impact
- 13 an avoidance area and provides information on the specific avoidance area
- 14 expected to be impacted and the reasons why impact cannot be avoided;
- 15 and
- 16 (3) Receives the commission's written approval for the impact to the avoidance
- 17 area, based on a determination that there is no reasonable alternative to the
- 18 expected impact. If the commission does not approve impacting the
- 19 avoidance area, the utility must obtain siting authority under this chapter for
- 20 the affected portion of the site or route. If the commission fails to act on the
- 21 notification required by this subdivision within thirty days of the utility's filing
- 22 the notification, the impact to the avoidance area is deemed approved.
- 23 c. Incident to preliminary engineering or environmental studies.
- 24 7. "Gas or liquid transmission facility" means any of the following:
- 25 a. A gas or liquid transmission line and associated facilities designed for or capable
- 26 of transporting coal, gas, liquid hydrocarbons, liquid hydrocarbon products, or
- 27 carbon dioxide. This subdivision does not apply to:
- 28 (1) An oil or gas pipeline gathering system;
- 29 (2) A natural gas distribution system;
- 30 (3) Carbon dioxide storage facility underground equipment, including a flow
- 31 line, subject to chapter 38-22;

1 (4) A pipeline with an outside diameter of four and one-half inches
2 [11.43 centimeters] or less which will not be trenched and will be plowed in
3 with a power mechanism having a vertical knife or horizontally directionally
4 drilled, and its associated facilities; or

5 ~~(3)~~(5) A pipeline that is less than one mile [1.61 kilometers] long. For purposes of
6 this chapter, a gathering system includes the pipelines and associated
7 facilities used to collect oil from the lease site to the first pipeline storage
8 site where pressure is increased for further transport, or pipelines and
9 associated facilities used to collect gas from the well to the gas processing
10 facility at which end-use consumer-quality gas is produced, with or without
11 the addition of odorant.

12 b. A liquid transmission line and associated facilities designed for or capable of
13 transporting water from or to an energy conversion facility.

14 **SECTION 9. AMENDMENT.** Section 49-22.1-05 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **49-22.1-05. Waiver of procedures and time schedules.**

17 Any utility that proposes to construct a gas or liquid energy conversion facility or a gas or
18 liquid transmission facility within the state may make an application to the commission for a
19 waiver of any of the procedures or time schedules set forth in this chapter or in the rules
20 adopted pursuant to this chapter. The commission, ~~after hearing and~~ upon a finding that the
21 proposed facility is of a length, design, location, or purpose that it will produce minimal adverse
22 effects, or, ~~after hearing and~~ upon a finding that a demonstrable emergency exists which
23 requires immediate construction and that adherence to the procedures and time schedules
24 ~~would jeopardize the utility's system~~, may issue an order waiving specified procedures and time
25 schedules required by this chapter or by the rules adopted pursuant to this chapter, including
26 applications, notices, and hearings, and may forthwith issue a certificate of site compatibility, a
27 certificate of corridor compatibility, or a route permit, with such conditions as the commission
28 may require.

29 **SECTION 10. AMENDMENT.** Subsections 1 and 4 of section 49-22.1-10 of the North
30 Dakota Century Code are amended and reenacted as follows:

1 1. The commission shall hold a public hearing in each county in which any portion of a
2 site, corridor, or route is proposed to be located in an application for a certificate or a
3 permit. If the commission determines there is an emergency that would prevent an
4 in-person hearing in the county in which any portion of a site, corridor, or route is
5 proposed, a remote public hearing may be held. At the public hearing, any person may
6 present testimony or evidence relating to the information provided in the application,
7 the criteria developed pursuant to section 49-22.1-03, and the factors to be considered
8 pursuant to section 49-22.1-09. If the commission determines there are no adequate
9 facilities to conduct a public hearing within the county in which any portion of a site,
10 corridor, or route is proposed to be located in, the public hearing must be held in the
11 nearest adequate location. When more than one county is involved, the commission
12 may hold a consolidated hearing in one or more of the affected counties. A hearing for
13 any county may not be consolidated if five or more affected landowners in that county
14 file a petition with the commission within ten days of the publication of the notice of
15 hearing.

16 4. Notice of a public hearing must be given by the commission by service on those
17 persons the commission deems appropriate and twice by publication, once at least
18 twenty days before the hearing and a second time within twenty days before the
19 hearing. Notice of a public hearing and notice of opportunity for a public hearing on an
20 application for a certificate, a permit, a transfer or amendment of a certificate or permit,
21 or a waiver must be given at the expense of the applicant. In an emergency the
22 commission may notice a hearing upon less than twenty days.

23 **SECTION 11. AMENDMENT.** Subsection 1 of section 49-22.1-21 of the North Dakota
24 Century Code is amended and reenacted as follows:

25 1. Every applicant under this chapter shall pay to the commission an application fee:
26 a. An applicant for a certificate of site compatibility shall pay an amount equal to five
27 hundred dollars for each one million dollars of investment in the facility.
28 b. An applicant for a certificate of corridor compatibility shall pay an amount equal to
29 five thousand dollars for each one million dollars of investment in the facility.
30 c. An applicant for a waiver shall pay the amount that would be required for an
31 application for a certificate of site or corridor compatibility for the proposed facility.

1 If a waiver is not granted for a proposed facility, the application fee paid must be
2 allowed as a credit against fees payable under this section in connection with an
3 application under this chapter for a certificate or permit for the proposed facility.

4 d. An applicant for a transfer of a certificate or permit shall pay an amount to be
5 determined by the commission to cover anticipated expenses of processing the
6 application.

7 e. An applicant requesting an amendment to a certificate or permit, or certifying to
8 the commission under subsection 3 of section 49-22.1-01 or obtaining siting
9 authority under subdivision b of subsection 2 or subdivision c of subsection 4 of
10 section 49-22.1-15, shall pay an amount to be determined by the commission to
11 cover anticipated expenses of processing the application.

12 f. The application fee under subdivision a, b, or c may not be less than ten
13 thousand dollars nor more than one hundred thousand dollars.

14 g. If an application fee is less than twenty-five thousand dollars, an applicant may
15 agree to pay additional fees that are reasonably necessary for completion of the
16 site, corridor, or route evaluation and designation process.

17 **SECTION 12.** Section 49-22.1-23 of the North Dakota Century Code is created and enacted
18 as follows:

19 **49-22.1-23. Approval for temporary operation or variance.**

20 1. The commission may approve temporary operation of facilities or a temporary
21 variance from approved construction, operation, or maintenance of facilities upon a
22 showing of good cause and receipt of a utility certification that the activities will have
23 no adverse impacts upon the welfare of the citizens of this state or the environment.

24 2. The commission may issue a temporary approval or variance without the necessity of
25 notice, publication, or public hearing with any additional terms, conditions, or
26 modifications deemed necessary to minimize impacts.

27 **SECTION 13.** Section 49-22.1-24 of the North Dakota Century Code is created and enacted
28 as follows:

29 **49-22.1-24. Protection of cultural or historic site data.**

30 The commission may limit access to, and release of, information that contains data that
31 specifically identifies the location of cultural, archaeological, historical, or paleontological sites.

1 **SECTION 14. REPEAL.** Section 49-22.1-22 of the North Dakota Century Code is repealed.