

Minutes of a Meeting of the Industrial Commission of North Dakota

CLEAN SUSTAINABLE ENERGY AUTHORITY

Held Aug. 4, 2025, beginning at 2 p.m.

Held at the Bank of North Dakota and on TEAMS



Voting Members Present

- Co-Chairman Sen. Dale Patten
- Co-Chairman Rep. Glenn Bosch
- Christopher Friez
- Jim Arthaud (online)
- Joel Brown (online)
- Kathy Neset
- Terry Goerger (online)

Non-Voting Members Present

- Dave Glatt
- Justin Kringstad
- Rich Garman
- Tom Erickson (online)
- Claire Vigesaa
- Don Morgan
- Nathan Anderson
- Reice Haase

Also present were Kelvin Hullet, Courtney Heiser, Jordan Kannianen, Erin Stieg, and Brenna Jessen (online). Not all attendees are known, as this meeting was also held on Microsoft TEAMS.

Co-Chairman Sen. Dale Patten called the special meeting of the Clean Sustainable Energy Authority (CSEA) to order at 2 p.m.

Ms. Erin Stieg took roll call. A quorum was present.

Sen. Dale Patten invited Mr. Jordan Kannianen to discuss CSEA policy updates. Mr. Kannianen gave an overview of the Century Code in relation to CSEA and proposed changes to section **1.03 Membership**. The number of voting and non-voting members must match what is presented in the Century Code in the program guidelines. Proposed

changes reflect the number of members, and that one member of the Senate and one member of the House of Representatives shall serve as Committee Co-Chairs. Discussion was held.

Ms. Courtney Heiser discussed proposed changes to section **2.03 Projects Eligible for a CSEA Loan**, which relate to the Bank of North Dakota's (BND) review of loans. BND is tasked with reviewing every CSEA grant and loan application. The changes propose criteria that will help evaluate and dismiss projects that are in too early of a stage (a feasibility study or feed stage) to qualify for a loan. This reduces the number of projects presented in any given grant round and gives the Board more time to review projects that have a better chance of succeeding and being, "shovel ready." This would allow BND to revolve the loan funds faster so they can make new loans and support additional projects. Discussion was held.

Mr. Kannianen proposed changes to section **4.01 Application Format**. This change would remove the requirement of the grantee to submit two paper copies of the application to the North Dakota Industrial Commission. Discussion was requested.

Mr. Kannianen proposed changes to section **4.02 Application Deadline**. This change would eliminate scheduled meeting dates and provide flexibility on when grant rounds can be held. Discussion was held.

Ms. Heiser discussed proposed changes to section **5.05 Application Review – Authority Recommendation and Commission Decision**. When CSEA applications are received, the projects are scored by a Technical Review Committee. The scores reflect the strength of the projects. Ms. Heiser said the proposed change to this section includes the addition of this line: "If an application scores less than a total of 35 points on the 50-point scoring scale, it will not advance to be presented before the Authority." This scoring standard ensures that only strong projects are moved forward for presentation and consideration. Discussion was held.

Ms. Heiser discussed proposed changes to **Approval Dates**. Discussion was held.

Sen. Patten provided an update on Project Tundra, a \$250 million program for CO₂ capture from Minnota Power Cooperative. The Legislature approved these funds specific to Project Tundra. If the funds are not used, they will expire and must be reauthorized by the Legislature in a future session. The funds are not available to CSEA to reallocate without Legislative action.

Sen. Patten discussed “priority access” and the mission of CSEA. He noted that as a state, North Dakota places a high emphasis on accessing and utilizing natural gas resources. Oil production is somewhat dependent upon the ability to manage the gas (capturing and using it). As the Advisory Board reflects on the CSEA mission, should it consider prioritizing projects that are close to commercialization, compliment other commitments that were made Legislatively, and reflect our state’s value-added resources. Ms. Heiser asked if language should be added to policy, or if applicants should be told priority will be given to projects that utilize natural gas. Discussion was held.

Sen. Patten asked Ms. Heiser to discuss some calls she regularly receives related to CSEA loans. Some are placed by current grantees who were seeking more money, and others inquire about new projects.

Sen. Patten asked for a motion to approve the proposed policy changes to the Century Code for the CSEA loan and grant program.

A motion was made by Ms. Kathy Neset and seconded by Mr. Chris Friez to accept the policy changes as presented.

On a roll call vote Rep. Glenn Bosch, Sen. Dale Patten, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, and Terry Goerger voted aye. The motion passed unanimously.

Sen. Patten opened the discussion on portfolio updates, starting with the North Dakota Industrial Commission. Mr. Kannianen gave a high-level overview of the CSEA grant program, noting there would not be additional funding for the 2025-2027 biennium. The cash balance is \$27,867,411.45. Outstanding commitments/expenses total \$24,226,618.10. Uncommitted cash available is \$3,640,793.35. To date, there are 20 cumulative projects totaling \$74.5 million in grant awards. About \$15.4 million has been returned or withdrawn and \$545.5 million has been loaned. The project value is \$6.2 billion.

Mr. Kannianen gave an update on the following CSEA projects:

1. Great Plains Hydrogen Hub experienced challenges, and a portion of the grant, and the entire loan, was decommitted.
2. Cerilon’s first GTL grant award has been completed and paid.
3. Wellspring Hydro’s first Produced-Water grant award has been completed and paid.
4. Midwest Ag Energy’s Blue Flint’s grant award has been completed and paid.
5. EERC’s Coal Creek carbon capture project has been completed and paid.

6. Enerplus was awarded a \$1 million grant, and then the company was purchased by Chord. The contract was not signed. Chord will need to reapply if they are interested in pursuing the grant.
7. EERC's Liberty H2 Hub's experienced challenges and they chose to halt spending. NDIC received a returned commitment of more than \$6.8 million.
8. Newlight's Project Phoenix grant award has been completed and paid.
9. Enerplus's geothermal power grant has a remaining commitment. The pilot project has been installed on a well pad. With new leadership under Chord, they may request a project extension.
10. Bushel's Farm Traceability Dashboard is making progress. The Final Report is due in December 2026.
11. Wellspring Hydro's Produced-Water 2 grant has a remaining commitment. The Final Report is due in December 2025.
12. Scranton Metals "Green" Pig Iron project is making progress with mineral testing and regulatory tasks. The Final Report is due in October 2025.
13. EERC's Marathon Renewable Fuels had a sponsor pull out due to market changes, and the award was decommitted.
14. Dakota Lithium's battery manufacturing project is experiencing favorable material testing. The Final Report is due in May 2027.
15. Cerilon has not submitted status reports for its second GTL loan and grant project. The Final Report is due in July 2026. Sen. Patten stated there would be an update on the loan side.

Sen. Patten asked for a motion to approve the decommission of the Enerplus grant that did not have a signed contract prior to the company merger with Chord.

A motion was made by Mr. Jim Arthaud and seconded by Ms. Kathy Neset to decommission the Enerplus grant.

On a roll call vote Rep. Glenn Bosch, Sen. Dale Patten, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, and Terry Goerger voted aye. The motion passed unanimously.

Sen. Patten asked for a portfolio update from the Bank of North Dakota in relation to CSEA loans. Ms. Heiser provided one. Her report included the loan status of the following companies:

1. Valence Natural Gas Solutions, one loan is in P&I payments
2. Cerilon GTL, two loans are in the draw period and making interest-only payments as agreed
3. HLCP Prodco, one loan is making interest-only payments as agreed

4. Project Tundra, two loans with a commitment expiration of 12/31/2025
5. Newlight Technologies, one loan with a commitment expiration of 12/31/2025
6. Rainbow Energy Center, one loan is in a draw period and making interest-only payments as agreed
7. Wellspring Hydro, one loan with plans to draw funds in the Fall of 2025

The principal payments and interest payments total is \$6,367,376.10. The total available for commitments is \$20,000,000.00.

Sen. Patten called for an update on Packet Digital. Ms. Terri Zimmerman, CEO of Packet Digital, gave a presentation on the batteries they produce for autonomous systems. Some of their customers are branches of the military, NASA, Amazon, Uber, Intel, and John Deere. Their manufacturing and assembly facility opened in December 2023. She stated 95 percent of drone batteries are manufactured in China, which is a huge issue for national security. Packet Digital has started production on a battery cell plant in Fargo, North Dakota. Ms. Zimmerman discussed the supply chain and stated that Packet Digital should be in a good position to supply batteries to the U.S. Department of Defense.

Sen. Patten called for an update on Wellspring Hydro. Wellspring Hydro employees Mr. Mark Watson, CEO, and COO Mat Hirst, and LibertyStream (formerly Volt) employee Alex Wylie, President and CEO, gave a presentation on lithium production opportunities in North Dakota and the work they are doing in Texas. They are leveraging support in North Dakota to enable an expansion.

Rep. Glenn Bosch requested a motion to enter into Executive Session to discuss confidential business related to Wellspring Hydro.

A motion was made by (inaudible) and seconded by Mr. Chris Friez that under the authority of the N.D.C.C. 54-63.1-06 and 44-04-19.2.1 that the Clean Sustainable Authority Advisory Board enter into Executive Session for the purpose of considering Clean Sustainable Energy confidential information.

On a roll call vote Rep. Glenn Bosch, Sen. Dale Patten, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, and Terry Goerger voted aye. The motion passed unanimously.

Sen. Patten stated that the Clean Sustainable Energy Authority Advisory Board is entering into Executive Session to discuss confidential information. He stated that only CSEA members and ND Industrial Commission staff will be present during Executive Session. Any formal action will be taken in Open Session. Sen. Patten reminded those present that the discussion must be limited to the announced purpose, which is projected to last approximately 20 minutes.

Executive Session began at 4:09 p.m.

The Meeting Closed to the Public for Executive Session Pursuant to NDCC 54-63.1-06 and 44-04-19.2.1.

CLEAN SUSTAINABLE ENERGY AUTHORITY ADVISORY BOARD EXECUTIVE SESSION

Present:

Co-Chairman Sen. Dale Patten
Co-Chairman Rep. Glenn Bosch
Christopher Friez
Jim Arthaud (online)
Joel Brown (online)
Kathy Neset
Terry Goerger (online)
Non-Voting Members Present
Dave Glatt
Justin Kringstad
Rich Garman
Tom Erickson (online)
Claire Vigesaa
Don Morgan
Nathan Anderson
Reice Haase
Kelvin Hullet
Courtney Heiser
Jordan Kannianen
Erin Stieg
Brenna Jessen (online)

Executive Session concluded and Open Session resumed at 4:41 p.m.

Sen. Patten requested a motion, following consideration of the confidential information presented in Executive Session.

A motion was made by (inaudible) for CSEA to approve the funding request by Wellspring Hydro, allowing the Bank of North Dakota and the North Dakota Industrial Commission to include the timing of equipment being moved to North Dakota, and a claw-back of funds if the timing is not met. Ms. Kathy Neset seconded the motion.

On a roll call vote Rep. Glenn Bosch, Sen. Dale Patten, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, and Terry Goerger voted aye. The motion passed unanimously.

Sen. Patten noted Al Christianson passed away. Christianson served on the CSEA Advisory Board, and his position, filled by the North Dakota Renewable Council, needs to be replaced. Mr. Kannianen said the seat vacancy was discussed at the last Renewable Energy Program meeting. The seat will be filled at the next meeting, which will be held in October 2025. Sen. Patten suggested they start recruiting now, to find a person who is knowledgeable and interested in serving.

Sen. Patten noted there is \$4.6 million worth of CSEA grant funding and \$20 million in loan funding available. He asked for a Board to decide if they should schedule a sixth grant round. Discussion was held. It was decided to hold another grant round that will be scheduled after the Industrial Commission's January 2026 meeting.

With no further business, Sen. Dale Patten adjourned the meeting.

Senator Dale Patten, Co-Chair

Representative Glenn Bosch, Co-Chair