

MEETING MINUTES

LIGNITE RESEARCH COUNCIL – SPECIAL GRANT ROUND 106

Monday, March 17, 2025 – 3:00 p.m. (CT)

Microsoft Teams or Lignite Energy Council Office

LRC VOTING MEMBERS PRESENT:

Jason Bohrer – Lignite Research Council, Chairman
Jay Kost – The Falkirk Mining Company
Mike Heger – BNI Energy
Tim Hagerott – Minnkota Power Cooperative
Randy Christmann – North Dakota Public Service Commission (on-line)
Tom Oakland – North Dakota Commerce
Todd Porter – North Dakota House of Representatives (on-line)
Mark Hager – IBEW 11th district (on-line)
Dale Patten – North Dakota Senate
Bill Sawyer – ALLETE (on-line)
Joseph Heringer – Land Board
Rita Faut – North Dakota Farm Bureau
Ed Murphy – North Dakota Geological Survey (on-line)
John Phillips-ND Coal Conversion Counties Assn. (on-line)
Brad Hawk-MHA Nation

OTHERS PRESENT:

Jordan Kannianen – North Dakota Industrial Commission
Brenna Jessen – North Dakota Industrial Commission
Erin Stieg – North Dakota Industrial Commission
Mike Holmes – Lignite Research Council
Angie Hegre - Lignite Energy Council
Logan Barrett – Lignite Energy Council Intern
Donn Steffen - Coyote Creek Mine (on-line)
Trinity Turnbow – Dakota Gasification (on-line)
Brad Zimmerman – Otter Tail Power Company (on-line)
Jim Sheldon – Basin Electric
Ethan Vaagene – Rainbow Energy Center (on-line)
Reese Boehm – Nexus Line, LLC (on-line)
Darcy Neigum – Montana Dakota Utilities Co. (on-line)
John Kay - EERC (presenter)
Jonathan Fortner – Lignite Energy Council (presenter)
Joseph Harris - Bismarck Tribune (on-line)

I. CALL TO ORDER

Meeting called to order:

Lignite Research Council (LRC) Chairman Jason Bohrer called the meeting to order at 3:03 p.m. (CT) on March 17, 2025.

II. APPROVAL OF MINUTES

Approval of November 13, 2024, LRC Meeting Minutes:

Bohrer asked for a motion to approve the minutes from the above-listed meeting. Joe Herringer so moved; seconded by Dale Patten, motion carried.

III. UPDATES

Program Management & Financial Report:

Jordan Kannianen shared the financial summary for the Lignite Research, Development, and Marketing Program. (A copy of the financial summary is available in the Lignite Research Program files and the meeting packet provided.)

Kannianen displayed a high-level dashboard view summary of all the Industrial Commission-managed funds to the committee. Kannianen shared that the Lignite Research Fund availability as March 2025, is \$8.8 million which is dollars available to commit to new projects. Kannianen shared that there are two projects before the committee today with an ask of \$2.8 million.

Kannianen brought forth to the committee the Lignite Research fund cash balance of \$30.8 million with \$21.9 million of that having outstanding project commitments. Kannianen shared that the total of \$8.8 million is uncommitted and available while considering new projects.

For the Lignite Research Fund, Kannianen provided a cumulative view of the fund. Since the program's inception in 1987, 261 cumulative projects have been funded. Each of those projects brings private capital and private match back to the state of North Dakota. That private match has equaled \$2.8 billion project value that has been invested in the state of ND, thanks to projects approved through this program. Currently there are 20 active projects.

In addition, Kannianen shared the 2023-2025 biennium appropriation and forecasted income. Sharing a graphic showing the Lignite research fund money coming from the Coal Severance Tax, Coal Conversion Tax, Research Tax and formula funding from Oil Production and Extraction Taxes showing a total of \$18.5 million through the course of the biennium. Of which \$16.1 million to date.

The financial data was emailed before the meeting to the LRC members.

IV. LIGNITE RESEARCH COUNCIL CHAIRMAN

Before introducing the proposals, the group expressed their gratitude to Jason Bohrer for his service as chairman of the Lignite Research Council. The group then considered a motion to appoint a new chairman. A motion was made to appoint Jonathan Fortner, who is currently serving as the interim President and CEO of the Lignite Energy Council, to the position of LRC chairman at the conclusion of today's meeting. Randy Christmann made the motion, and Rita Faut seconded it; the motion passed.

V. GRANT ROUND 106 APPLICATION

LRC-106A: Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative – Phase II

Submitted by: EERC

Principal Investigator: John Kay

Request for: \$1,500,000

Total Project Costs: \$3,830,000

Project Duration: 3 years

The EERC is proposing the Phase II work scope for the CORE-CM team focused on producing rare-earth elements (REEs), critical minerals (CMs), and nonfuel carbon-based products (CBPs) from Williston Basin coals. The EERC has received additional funding from the DOE and industry support, providing the leveraging of NDIC project funding. The EERC led Phase II effort would focus on advancing the opportunity in North Dakota as part of two regions within the realigned DOE. The proposed additional effort is aimed at collecting more resource data for rare earth elements (REEs) and critical minerals (CMs) in the Williston Basin. This involves identifying data gaps that need to be addressed and developing strategies to move forward. It also includes implementing necessary workforce training and establishing technology innovation centers.

Holmes shared that all three reviewers recommended funding. The proposal received an average score of 204 out of 250. Holmes shared that the funding would be subject to the Technical Advisor participating in the project reviews and reviews the project management plan with the project team. The project leverages state funding by obtaining funding from the DOE and industry. Holmes stated the conflicts of interest included EERC, North American Coal, and BNI.

John Kay EERC presented on behalf of the applicant.

A copy of the PowerPoint presentation is available in the LRP files.

LRC-106B: The Regulatory and Litigation Support Project for the North Dakota Lignite Industry

Submitted by: Lignite Energy Council

Principal Investigator: Jonathan Fortner

Request for: \$1,325,000

Total Project Costs: \$1,325,000

Project Duration: 2 years

Jordan Kannianen shared that the applicant is requesting funding for two years to provide support to the collaborative efforts of the lignite industry and North Dakota government agencies in responding to federal agency rulemakings. Overall, the Regulatory and Litigation Support Project has a primary goal to safeguard the current lignite fleet in North Dakota. To reach this goal, the project will enable crucial tasks such as public comments, reports, studies, or modeling.

Kannianen shared that the two technical reviewers recommended fully funding the project. The reviewers provided positive comments about the objectives, achievability, methodology, contribution, awareness/background of the principal investigators and the budget. This is an appropriate use of LRC dollars and will help provide a legal framework and strategy to navigate the federal regulatory environment that has the potential to severely limit the lignite industry in the state.

Kannianen shared that the funding would be subject to semi-annual reporting to the ND Industrial Commission. Kannianen stated the conflicts of interest included Lignite Energy Council and members of the Lignite Energy Council.

A motion to waive the conflict of interest for members was made by Senator Patten and seconded by Tom Oakland; the motion carried.

Jonathan Fortner of Lignite Energy Council presented on behalf of the applicant.

A copy of the PowerPoint presentation is available in the LRP files.

VI. Voting Process – Ballots distributed, returned and tabulated.

VII. RESULTS

LRC-106A: Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative – Phase II

Submitted by: EERC

Fund: 15

Do Not Fund: 0

Abstain: 0

LRC-106B: The Regulatory and Litigation Support Project for the North Dakota Lignite Industry

Submitted by: Lignite Energy Council

Fund: 15

Do Not Fund: 0

Abstain: 0

Chairman Bohrer shared that the results of this meeting will be presented at the Industrial Commission meeting on March 25, 2025.

VIII. OTHER BUSINESS

Bohrer announced that the next North Dakota Industrial Commission meeting, where these recommendations will be considered, is scheduled for March 25, 2025.

Bohrer reminded the group that the spring grant application deadline is April 1, 2025, and the next LRC meeting is scheduled for May 7, 2024.

IX. ADJOURNMENT

There being no further business, Jason Bohrer requested a motion to adjourn the LRC meeting. Mike Heger so moved, seconded by Jay Kost. The motion carried.

Angie Hegre, recording secretary