

Minutes of a Meeting of the Clean Sustainable Energy Authority

Held on July 25, 2023 at 9:00 a.m.

BND Missouri River Conference Room, Bismarck, ND

Present: Sen. Dale Patten, Chair
Rep. Glenn Bosch
Al Christianson
Christopher Friez
Jim Arthaud
Joel Brown
Terry Goerger
Robert (Mac) McLennan
Kathy Neset
Tom Erickson
Justin Kringstad
Rachel Retterath
Todd Steinwand
John Weeda
Reice Haase
Brenna Jessen

Also

Present: All attendees are not known as this was a Teams event.

Sen. Dale Patten called the meeting of the Clean Sustainable Energy Authority (CSEA) to order at 9:00 a.m. with a quorum being present.

It was moved by Robert McLennan and seconded by Joel Brown that the July 25, 2023 agenda be approved as presented. The motion carried unanimously.

It was moved by Robert McLennan and seconded by Joel Brown to approve the September 14, 2022 meeting minutes as presented. The motion carried unanimously.

Mr. Reice Haase, Industrial Commission Deputy Executive Director, provided the committee with a report on Industrial Commission activities and a summary of the 2023 legislative session actions which relate to the Clean Sustainable Energy Authority.

Mr. Haase provided a financial summary as follows:

There are currently 10 active projects. \$44.3 million in grant dollars have been awarded, \$15.6M of that has been paid to date, with the exception of the Bakken Energy de-obligation/ hydrogen bucket. Cash available for grants is \$30.4 million.

Mr. Haase also provided a project highlight of the Valence project, which was funded by CSEA, that reduced over 155,000 tons of CO₂ emissions and generated \$31.3 million in additional tax revenue to

the state. It was noted that the amount of tax revenue surpassed the available grant dollars in the program currently.

Sen. Patten asked that the CSEA members declare if they have any conflicts of interest and hand in their forms. There were three conflicts of interests declared by Mr. McLennan for project C-04-D Project Tundra, and Mr. Al Christianson and Mr. Christopher Friez for project C-04-F Lignite Combustion Product Enhancements. Mr. McLennan is directly involved with Project Tundra, so he will abstain from voting.

It was moved by Ms. Kathy Neset and seconded by Mr. Terry Goerger to allow Mr. McLennan to abstain from voting on project C-04-D Project Tundra. The motion carried unanimously.

Mr. Christianson is a financially compensated consultant for Rainbow Energy. Although direct conflict is questionable, he would like to abstain from voting. Mr. Friez' company is the coal supplier for Rainbow Energy; however, this is not considered a direct conflict of interest.

It was moved by Mr. Goerger and seconded by Mr. Jim Arthaud to allow Mr. Christianson to abstain from voting on project C-04-F Lignite Combustion Product Enhancements. The motion carried unanimously.

It was moved by Mr. Christianson and seconded by Mr. Joel Brown to allow Mr. Friez to vote on project C-04-F Lignite Combustion Product Enhancements. The motion carried unanimously.

The presentation of projects began: There were nine proposals in total, and all had positive technical reviews.

C-04-A – Bushel Farm Traceability Dashboard; Submitted by Bushel, Inc.; Total Project Costs: \$12,265,250; Amount Requested: \$5,529,362 (grant).

The technical review committee recommended funding for this project with the condition that it be determined by the CSEA board to be in alignment with their criteria. Bank of North Dakota had the economic feasibility as supportive, and this project received an average score of 217/315 from the technical reviewers. It was noted that all reviewers rated this project from fair to good.

- Mr. Jake Joraanstad introduced himself as the co-founder and CEO of Bushel and gave a presentation on the Bushel Farm Traceability Dashboard. He and his teammate, Luke Swenson explained that they are building digital infrastructure complementary to agriculture's advanced physical infrastructure as the next inflection in grain value chain productivity.
- Today, technology in Ag is lacking, as are ways to show how Ag products are being used- more importantly, how ND's ag products compare on the sustainability scale. Everything is dependent on manual input by the producer. This technology allows all field activities related to the scale tickets to be automatically recorded and fully accessible to the buyer.
- Mr. Brown asked if we look at the full footprint of growers across ND, how much of that is ultimately going to create energy?
- Mr. Joraanstad responded that out of 10 million principal acres and 10 million other acres, about half of that end up in renewables, and 25% are directly there.

- Ms. Neset asked if there's any verification of the data being collected.
- Mr. Joraanstad responded that there are multiple methodologies out there, and they are not tied to any specific one, this can work with the methodologies that the clients want to use. The USDA has not made any declarations as to which methodology is the best.
- Mr. Bosch asked about potential cost to the producer.
- Mr. Joraanstad explained that a yearly subscription could range anywhere from \$300/year-\$2,000/year, but there's also a potential for licensing from the company so the cost would be built-in and there would be no additional cost to the farmer.
- Sen. Patten asked if the goal of this was to confirm that someone is raising carbon neutral crops?
- Mr. Joraanstad said right now there's an assumption of carbon intensity on the national scale, and we know that North Dakota producers are doing better than that. Their aim to quantify it so producers get credit for what the actual measurement really is. Plus, being able to report on the carbon intensity of a certain crop (a.k.a. "C.I. score") on a per-bushel or per-acre basis is better than having no information available. Even if it's not net-zero, it is still meaningful for the plant to be able to report on it. He explained that unless we are giving credit for the amount of carbon we're putting back in the soil when we grow these crops, claiming carbon neutrality on a particular crop could be a stretch. But ultimately, more capital is going to flow to the path of the lowest C.I. score.
- It was discussed that this project has no physical infrastructure, only setting up the software and people, but will be used in existing infrastructure of biodiesel and ethanol facilities.

C-04-B – SAFuels X; Submitted by AIC Energy Corp.; Total Project Costs: \$525,000,000; Amount Requested: \$5,000,000 (grant), \$25,000,000 (loan).

The purpose of this project is to design and construct a low carbon renewable fuels refinery using soybean oil as a feedstock. Funds would be used for engineering natural gas supply design. Technical reviewers rated this an average of 253.5/315 and the technical review committee recommended funding for this project.

- Mr. Chris Keller introduced himself as the lead engineer for AIC Energy, and presented the proposal for the 100-million-gallon-per-year Renewable Fuels Facility, which will produce sustainable aviation fuel (SAF), renewable diesel, and renewable naphtha. This would contribute to Carbon reduction by using renewable feedstock and will also contribute to future CCS (Carbon capture and storage). He explained what SAF was and how it is blended and refined, and spoke briefly about their technology partner Haldor Topsoe. The same technology is used in the Marathon Dickinson refinery, which makes renewable diesel, but they are taking it a step further to make jet fuel using steam methane reforming technology.
- Richard Industrial Group was chosen for the detailed engineering, procurement, and construction management of the project due to their experience with Haldor Topsoe and previous work in Tioga, ND. One key aspect is their modular design, which allows them to build and construct much quicker than stick-built construction.

- Off-take partners are intended to be Department of Defense sources, such as Minot Air Force Base, Ellsworth, and Grand Forks Air Force Base. He also noted there is a huge demand for SAF and renewable fuels.
- Permits are in-hand; however, their schedule is being held up by their primary investor who is still doing their due diligence. The natural gas pipeline is their longest lead timeline, and they are asking CSEA for bridge funding to get started on permitting and design for that until the investment funds are made available.
- Holliday Van Skyberg, a representative from USDA, Rural Development spoke briefly about the 9003 program, which offers a loan guarantee towards the construction of Biofuel facilities.
- Mr. Van Skyberg explained that USDA will be guaranteeing up to 80% of the \$250,000,000 loan from AIC's primary lender. The terms of the loan were not yet known, but it would be a negotiated rate.
- Mr. Patton asked if the loan guarantee would be available on the CSEA loan were it approved, to which Mr. Van Skyberg responded that he wasn't sure.
- Mr. Todd Steinwand asked about the bridge financing taking the entire 7-year term to payback.
- Mr. Keller responded that his understanding is that the intent would be that once the permanent funding was available, the CSEA loan would be paid back. He also clarified that AIC is comparing the terms between the private loan and the private equity investor at this time.
- Sen. Patten asked about funding of infrastructure needs.
- Mr. Keller stated that the power is there, connection costs are in the budget. The easements are not done yet. They are projecting 1st gallon late 2025, full production early 2026.
- Mr. Drew Combs from the North Dakota Trade Office also spoke in support of the AIC proposal and the importance of being able to meet NATO mandates for Sustainable Aviation Fuel.

C-04-C – Smart Well Hub; Submitted by SandPro LLC; Total Project Costs: \$1,975,000; Amount Requested: \$705,000 (grant).

Both technical reviewers rated this project as questionable. It was noted the application lacks important details to evaluate if this is a technically sound proposal. The average rating was 141/315. The technical review committee recommended funding with the condition that the project sponsor obtains an Oil & Gas producer as an industry partner in the project.

- Josh Blackaby introduced himself as the Vice President of SandPro, and introduced Drew Anderson, Director of Automation, who gave a presentation on SandPro's concept for the Smart Well Hub to monitor and detect methane leaks on wellheads.
- Mr. Anderson expressed some level of unpreparedness for this presentation, but went on to say that their main focus with this proposal is personnel safety and to have a proactive, rather than reactive approach to well monitoring and maintenance. They want to create an innovative solution that doesn't exist currently to decrease the dependency the manual, human element of well monitoring.
- This solution will integrate well control, flow control, erosion monitoring, critical point methane detection, solids quantification, automated rod blow-out prevention (BOP), and an automated stuffing box for artificial lift operations.

- Mr. McLennan asked if they had presented this proposal to the Oil & Gas Research Council prior to submitting their application to CSEA.
- Mr. Anderson stated that this is the first grant proposal they have submitted.
- Mr. Bosch expressed frustration with the lack of details both in the proposal and the presentation, to which Mr. Blackaby stated they had just received the technical review results the day prior to this presentation.
- It was noted that the results of the technical review were sent via email on July 13th.
- Ms. Neset asked how far into development the project is.
- Mr. Anderson stated that the core of the Smart Well Hub is already commercialized, and the automated stuffing box prototype will be ready for pilot testing within 30 days to a few months.

C-04-D – Project Tundra; Submitted by Minnkota Power Cooperative; Total Project Costs: \$1,400,000,000; Amount Requested: \$150,000,000 (loan).

All three technical reviewers had positive recommendations for this project. Bank of North Dakota had the economic feasibility as supportive, and this project received an average score of 275/315 from the technical reviewers. It was noted that all the project technically sound and is a model fit for CSEA. The technical review committee recommends funding for this project.

- Mr. Andrew Sorbo gave a presentation on the Post-combustion Carbon Capture on the Milton R. Young Station in North Dakota, otherwise known as Project Tundra. He stated that the capture aspect of the proposal is on-time and on-budget, with their partners Mitsubishi Heavy Industries (MHIA) and Kiewit. The FEED kickoff was February 1st, 2023 and is projected to be complete January 26th, 2024. They are negotiating the full EPC contract in parallel with the FEED study, which will end with a binding proposal for “lump-sum turn-key” price, project schedule, and execution-ready EPC contract.
- On the storage side of things, they are fully permitted with 95% voluntary support from landowners. Minnkota also has a fully approved EPA Monitoring, Verification, and Reporting Plan, which is needed to utilize the federal 45Q tax credits. The unique stacked storage design will allow CO₂ to be stored in two formations, fully utilizing North Dakota’s ideal geology. There is a combined capacity to store 222 million metric tons of CO₂ over 20 years.
- The last piece of the puzzle is financing, which was made a little easier with the passing of the 2022 Inflation Reduction Act (IRA), which increased the 45Q tax credit from \$50/ton to \$85/ton for CO₂ storage. They did submit an application for a Dept. of Energy grant for up \$350 million in additional funding for this project, and they will know later this year if they were awarded that funding.
- Mr. Sorbo addressed the technical reviewer question about the previously awarded CSEA grant for \$100 million. It has not been paid down yet, however the monetary support from the State has proven to be vital to the project as it is viewed by potential partners and investors as a dollar-for-dollar risk mitigation on the capital stack. Additionally, this ask for another \$150 million is a critical component in reducing that gap in the capital stack.
- TC Energy Corporation has joined Minnkota in a joint development agreement. They are heavily invested in the state and have extensive experience to help get Project Tundra underway.

- Mr. Josh Teigen asked what the contingency plan was if they did not get the \$350 million in DOE funding.
- Mr. Sorbo stated that they had successfully completed phase one of the loan process through DOE, however you cannot have a loan and a grant at the same time, so they put the loan on hold to pursue the grant. If the grant is not awarded, they will pick up where they left off and submit a loan application with the DOE.
- Rep. Bosch asked how long the 45Q tax credits were available for.
- Mr. Sorbo stated they were good for 12 years from commercial operation. He mentioned that they are being very cautious about not assuming an extension on those tax credits. They may get extended, but they are not counting on that, so they're being very careful with testing and phasing.
- Rep. Bosch mentioned that when Project Tundra was first proposed, there was an Enhanced Oil Recovery aspect to it, and asked if that was still a focus of the project?
- Mr. Sorbo explained they are focused solely on Carbon Capture and Storage for the time being.
- Sen. Patten clarified that the technology is proven with this project, the economics are what still questionable.
- Mr. Sorbo responded that sequestering of Carbon has been done for years. He referenced Petra Nova, who was doing the same thing as Project Tundra, however their economics were based off the price of oil, so when the price went down, so did the plant. Project Tundra has an advantage with the tax credits of not having to base the economic off oil prices.

The committee took a 30-minute break for lunch.

C-04-E – Project Phoenix; Submitted by Newlight Technologies, Inc.; Total Project Costs: \$446,000,000; Amount Requested: \$150,000,000 (loan).

Technical reviewers rated this project an average of 195/315. I was noted that Newlight has already gotten funding from CSEA which has not been drawn on. The technical review committee recommended partial funding.

- Mr. Kenton Kimmel introduced himself as Chief Technology officer & co-founder of Newlight Technologies, which has been working on turning greenhouse gasses into biodegradable/ ocean degradable polymer. They've already got a plant based in California, selling their commercialized product in the form of foodware and packaging. However, building a plant in North Dakota is attractive for its proximity and access to greenhouse gasses to use as feedstock.
- Mr. Kimmel explained key technology highlights of their proprietary carbon transformation technology and how greenhouse gasses are fermented into a plastic replacement material which can then be marketed to those companies such as Nike, Target, and US Foods are motivated by the ability to decarbonize existing materials and be able to create net-zero, or even carbon negative products.
- Newlight is also building a plant in Ohio and is on a similar timeline, as the FEED Study is being done for both the Ohio and the North Dakota facilities. They are expecting that to be complete in March 2024.

- Newlight is targeting Marley Crossing for the facility site, mainly because it will have access to the utility infrastructure they need.
- Mr. Kimmel explained that the benefits to North Dakota, including having a viable sustainable decarbonization industry that will contribute to the state's carbon neutral goals and image as a climate innovator.
- Rep. Bosch asked about engineering costs versus development costs, and it was determined that the first \$59 million they are requesting is mostly going to be used towards long-lead equipment, since the engineering phase is almost complete and being covered by previous CSEA funding.
- Sen. Patten asked if they can easily add on to the facility if they want to scale up from the 8MM lbs./year output.
- Mr. Kimmel replied absolutely, the facilities they are building will be easily able to meet expanded output in the future.
- Mr. Rob Clark, the Vice President of Capital Project for Newlight, stated that the modular design of the project allows for increased capacity of up to 25% at a time and increase of the infrastructure support at the same time.
- Rep. Bosch mentioned the other projects that are targeting Marley Crossing and how does the collaboration work? Are they waiting for the others to build or are the others waiting for Newlight to build?
- Mr. Kimmel responded that even if the other projects don't move forward at Marley Crossing, Newlight will move on their own, they are not waiting for the others to go first.
- Mr. Todd Steinwand asked why is everyone looking at Marley Crossing?
- Mr. Kimmel explained that the proximity to highly accessible utilities that are there, (i.e., rail, water, etc.) make it a very attractive location for all of these projects. Along with bringing economic development to Trenton, ND.
- Mr. Teigen mentioned a monthly call with Williams County where they are discussing what an energy park model looks like with these shared utilities amongst the companies that are going to be at that site. Its more economical to build one of everything and share the line than have separate lines for each of these entities.
- Ms. Neset asked about the revised risk assessment what is the biggest unknown right now?
- Mr. Kimmel stated that they've been in risk-mitigation mode for the past eight or nine months now and he believes that they are at as low of risk as they can get with their economics and their engineering.
- Mr. Arthaud asked where are you making your money?
- Mr. Kimmel explained they are able to charge a premium for their decarbonized alloys. They are not focused on CO₂ simply because there's more 'bang for your buck' using methane, so they are more focused on methane feedstock right now. There is no carbon sequestration in California or Ohio right now, so North Dakota is an important component for that.

C-04-F – Lignite Combustion Product Enhancements; Submitted by Rainbow Energy Center; Total Project Costs: \$85,000,000; Amount Requested: \$42,500,000 (loan).

All three technical reviewers had positive recommendations for this project. Bank of North Dakota had the economic feasibility as supportive, and this project received an average score of 256/315 from the technical reviewers. The technical review committee recommends funding for this project.

- Mr. Stacy Tschider introduced himself as President of Rainbow Energy Center and gave a presentation on the Lignite Combustion Product Enhancement project, which he says is extremely important for both Coal Creek Station and the State in terms of bring revenue back to the State.
- He explained that Rainbow Energy is an independent power producer that bought Coal Creek station in May of 2022. They are a customer of Falkirk Mine, but it's really more of a partnership. They utilize 8 million tons of beneficiated lignite per year to fuel the plant.
- The Nexus Line Transmission System is a high voltage direct current (HVDC) that goes from North Dakota to Minnesota. It is underutilized right now, with 99.5% availability that should be being monetized.
- Mr. Tschider went on to explain that they intend to use bottom ash material blended with fly ash to make reduced-carbon concrete. They will also be using flue gas desulfurization (FGD) to make sheet rock with their partners, EcoMaterial Technologies, who represent about 52% of the CCR market in the United States.
- Mr. John Bauer introduced himself as the plant manager of Coal Creek Station for 43 years. He spoke briefly about the anticipated results of the project, which include elimination of the need to dispose of up to 1 million tons of lignite coal combustion materials in solid waste facilities annually, and reduction of carbon dioxide in concrete and other products. It is estimated that for every ton of fly ash used in concrete, carbon dioxide emissions is reduced by 1 ton (1:1 reduction).
- Mr. Tschider mentioned that this is a shovel-ready project. However, procurement of electrical materials is proving to be a challenge. The supply-chain issue with the electrical build out would be the only physical infrastructure that is needed. Everything else is in place.
- Rep. Bosch asked how long the term would be on the financing.
- Mr. Tschider answered that he anticipates a 5–7-year return-on-investment.
- Mr. Todd Steinwand responded that there is a 10-year term on the loan.
- It was asked if this technology could be duplicated in other plants, or would this be unique to Rainbow Energy and this facility?
- Mr. Bauer responded that other facilities could duplicate the process, however, many coal plants across the country are shutting down, so the opportunity is here.
- Mr. Brown asked for some clarification on the outstanding regulatory risk if this project doesn't come to fruition?
- Mr. Tschider answered that he met with Mr. Richard Huggins of the EPA in Washington DC last spring and was able to explain what Rainbow Energy was doing with this project. Mr. Huggins not only seemed receptive, but told Mr. Treader that he appreciated what the coal plant was doing.

C-04-G – Unlocking the Full Potential of Produced Water; Submitted by WellSpring Hydro; Total Project Costs: \$250,886,700; Amount Requested: \$5,000,000 grant, \$50,000,000 (loan).

There was only one technical reviewer for this project, who gave it a good rating of 222/315. The review noted methodology and discussion regarding environmental management was lacking in detail. There were also questions regarding the permitting considerations for this project, whether a class 2 well or a class 1 well is needed. The technical review committee discussed that a class 2 well should be sufficient for this project. They recommended funding for this proposal.

- Mr. Mark Watson, CEO of WellSpring Hydro, and Matt Hirst, COO of WellSpring Hydro gave a presentation on the produced water treatment facility that will utilize Bakken produced water brine into valuable key products like caustic soda and hydrochloric acid, with expansion into calcium chloride, lithium, and other products. Their presentation focused on three elements of the proposal: strategic location, attractive economics, and proven technologies.
- They have a market opportunity to supply the regional market, with limited supply in surrounding states. The market for caustic soda and hydrochloric acid is favorable right now, prices have gone up significantly since 2021. There is existing demand for these products, as well as new demand for lithium extraction and mining.
- Mr. Watson emphasized WellSpring's favorable variable cost position compared with regional competitors due to a variety of factors such as subsidized feedstock, and competitive power rates in the area.
- WellSpring Hydro has signed an MOU with a lithium extraction company as well as completed four independent bench scale studies to validate creating high quality salt from Bakken produced water feedstocks. The salt from this process is very pure.
- Sen. Patten asked how much produced water would go into the process?
- Mr. Hirst said that it depends on the location of the company they partner with. They want to make sure the company has their own interest in the field as well.
- Mr. Brown ask if there is room for expansion opportunities, to which Mr. Hirst replied that yes, lithium extraction could lead to another facility.
- Mr. Dave Glatt asked if have to obtain a class 1 permit would delay their timeline at all?
- Mr. Watson explained that they've planned and budgeted for both permitting scenarios and are prepared either way, so that won't be an issue.

C-04-H – Enhancement of Energy Infrastructure; Submitted by HydroStrat GP; Total Project Costs: \$2,300,000,000; Amount Requested: \$10,000,000 (grant).

There was only one technical reviewer for this project, who rated it questionable at 183/315. The reviewer noted that while the project could be a valuable asset to the state, they are not sure that it meets the goals of CSEA. The technical review committee recommended partial funding for tasks 1.2, 1.5, and 1.6 to bring the project to the full go/no-go decision point.

- Mr. Curtis Johnson introduced himself as the CEO and Founder of HydroStrat and gave a presentation on the Enhancement of Energy Infrastructure proposal. He explained that his background is in geology and that he has extensive knowledge of the geological terrain in North

Dakota. There is a formation in ND that is very large and very porous and is perfect for water disposal that is not being touched by Oil & Gas today.

- Produced water volumes are increasing at faster rates than oil production. HydroStrat's solution is to develop highly efficient infrastructure to create scale for water processing in the near-term, and mineral extraction and water reclamation at commercial scale in the long term.
- Mr. Johnson explained that they will be able to drop the disposal rates by half to the Oil & Gas companies, which will incentivize them to bring their water to HydrStrat. They will start by building one test well to become profitable on water disposal, then start mineral extraction. Water reclamation will come in later, but through a desalination process, they will be able to sell the water back to other industries, such as agriculture, industrial, etc.
- Mr. Jovan Gurevich explained the cost analysis and gave updates on outstanding MOUs with various operators as well as primary sector certification, which makes them eligible for funding from ND Development fund as well as P.A.C.E and Lift funding. They've also built out their senior management team and are in discussions with potential off-take partners.
- Mr. Gurevich emphasized that each module of this proposal, from the Saltwater Disposal aspect to the Mineral Extraction aspect, to the Water Reclamation aspect, is profitable as a stand-alone business.
- Ms. Neset asked about where the disposal wells would be placed.
- Mr. Johnson explained that they would drill wells around where the trunkline would eventually be, so they could work in phases.
- Mr. Bosch asked if they could give anymore details about the formation that make them confident this formation could take up to 100,000 bbl/day?
- Mr. Johnson stated that there is more information on the formation in the confidential section of the application, but he has studied the geology of the whole Northwestern corner of the state, and this one is the best he's found.

It was moved by Rep. Glenn Bosch and seconded by Kathy Neset that under the authority of North Dakota Century Code Sections 54-63.1-06 and 44-04-19.2(1) the Clean Sustainable Energy Authority Technical Committee enter into executive session for the purpose of considering Clean Sustainable Energy Authority confidential information.

On a roll call vote Rep. Glenn Bosch, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Terry Goerger, and Robert McLennan all voted aye. The motion carried unanimously.

The Clean Sustainable Energy Authority Technical Committee is meeting in executive session to consider confidential information. Only CSEA members and Industrial Commission staff will be present during the executive session. Any formal action will occur after reconvening in open session.

Sen. Patten reminded those present in the executive session that the discussion must be limited to the announced purpose which is anticipated to last approximately 1 hour.

The executive session began at 2:55 p.m.

The Meeting Closed to the Public for Executive Session Pursuant to NDCC 54-63.1-06 and 44-04-19.2(1)

CSEA Members Present:

Sen. Dale Patten
Rep. Glenn Bosch
Jim Arthaud
Joel Brown
Al Christianson
Christopher Friez
Terry Goerger
Robert McLennan
Kathy Neset
Tom Erickson
Justin Kringstad
Rachel Retterath
Todd Steinwand
Kelvin Hullet, BND Staff and designee for Mr. Steinwand
John Weeda

Others Present:

Reice Haase, Industrial Commission staff
Brenna Jessen, Industrial Commission staff

During the Executive session, the Clean Sustainable Energy Authority took up the following items:

- i. Review of Confidential Information

The executive session ended at 4:45 p.m. and the CSEA Committee reconvened in open session.

The CSEA took up each of the applications that had been heard for Grant Round 4.

It was moved by Mr. Goerger and seconded by Mr. McLennan that the Clean Sustainable Energy Authority recommends that the Industrial Commission approve the C-04-A Bushel Farm Traceability Dashboard project, submitted by Bushel, Inc., as a grant in the amount of \$3,500,000.

Mr. Goerger stated that these funds are to be used for development and not for commercialization or marketing.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

It was moved by Mr. Brown and seconded by Mr. Arthaud that the Clean Sustainable Energy Authority recommends that the Industrial Commission deny funding for the C-04-B SAFuels X project submitted by AIC Energy Corp on the basis that it does not meet the legislative intent of CSEA.

Mr. Brown stated that was a good project, however it doesn't meet the legislative intent for CSEA.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

It was moved by Mr. McLennan and seconded by Mr. Arthaud that the Clean Sustainable Energy Authority recommends that the Industrial Commission deny funding for the C-04-C Smart Well Hub project , submitted by SandPro LLC.

Mr. McLennan stated that this project aligns more with the Oil & Gas Research Council and should be presented to them before coming back to CSEA.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

It was moved by Mr. Christianson and seconded by Mr. Goerger that the Clean Sustainable Energy Authority recommends that the Industrial Commission approve the C-04-D Project Tundra project, submitted by Minnkota Power Cooperative, as a loan in the amount of \$150,000,000.

Mr. Christianson stated that this project aligns with what CSEA is trying to do, and will be a game-changer for the Lignite Energy industry.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, and Terry Goerger all voted aye. Mr. McLennan abstained. The motion carried.

It was moved by Mr. Arthaud and seconded by Mr. Christianson that the Clean Sustainable Energy Authority recommends that the Industrial Commission approve partially funding the C-04-E Project Phoenix, as a loan in the amount of \$30,000,000.

Mr. Arthaud stated that he felt the \$30,000,000 is an adequate amount to get them started and wishes them well.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

It was moved by Mr. Arthaud and seconded by Mr. Brown that the Clean Sustainable Energy Authority recommends that the Industrial Commission approve funding the C-04-F Lignite Combustion Product Enhancements, submitted by Rainbow Energy Center, as a loan in the amount of \$42,500,000.

On a roll call vote Rep. Bosch, Sen. Patten, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. Al Christianson abstained. The motion carried.

It was moved by Mr. McLennan and seconded by Ms. Christianson that the Clean Sustainable Energy Authority recommends that the Industrial Commission approve C-04-G Unlocking the Full Potential of Produced Water, submitted by Wellspring Hydro as a grant in the amount of \$5,000,000 and deny funding for the loan requested.

Mr. McLennan commented that the applicant is to finish out detailed engineering of the project and demonstrate additional progress before coming back and getting approval for the loan.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

It was moved by Mr. Friez and seconded by Mr. Goerger that the Clean Sustainable Energy Authority recommends that the Industrial Commission deny funding for the C-04-H Enhancement of Energy Infrastructure, submitted by HydroStrat GP.

Mr. Friez stated that this project aligns more with the Oil & Gas Research Council and should be presented before them.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

Mr. Todd Steinwand requested that the Bank of North Dakota be able to verify the applicant's capital stack before approving any loans.

It was moved by Mr. Christianson and seconded by Mr. McLennan that capital stack be verified before loan applications are eligible for funding.

On a roll call vote Rep. Bosch, Sen. Patten, Al Christianson, Chris Friez, Jim Arthaud, Joel Brown, Kathy Neset, Robert McLennan, and Terry Goerger all voted aye. The motion carried unanimously.

Sen. Patten thanked the Authority members and the applicants for their work today.

Being no further business, Sen. Patten adjourned the meeting at 5:12 p.m.

A handwritten signature in cursive script, appearing to read "Brenna Jessen".

Brenna Jessen, Recording Secretary