



April 1, 2024

Reice Haas  
Deputy Executive Director  
North Dakota Industrial Commission  
Attn: Lignite Research Program  
600 East Boulevard Avenue  
Bismarck, ND 58505

Subject: Grant Application Submittal: “Continued Funding for Regional Lignite Public Affairs Program”

Dear Reice:

The Lignite Energy Council, a regional trade association of producer, utility, and business members who produce approximately 28 million tons of lignite and generate electricity from lignite that serves two million people in the Upper Midwest region, is pleased to submit the enclosed proposal to seek continued funding for the Regional Lignite Public Affairs Program.

Members of the Council will provide the matching funds for this project.

Also, enclosed is a \$100 check for the grant application fee.

Thank you for the opportunity to submit this proposal.

Sincerely,

LIGNITE ENERGY COUNCIL

Jason W. Bohrer  
President and CEO

Enclosures: \$100 application check

# **Continued Funding for Regional Lignite Public Affairs Program**

Submitted by  
Lignite Energy Council

Principal Investigator  
Lignite Energy Council

April 1, 2024

*Amount Requested: \$600,000 Annually for Three Years for a Total of \$1.8 million*

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# **Implementation of Regional Lignite Public Affairs Program**

## **ABSTRACT**

Due to the continued success of the Regional Public Affairs Program (Program), the Lignite Energy Council is advocating for the continuation of the Program. As a testament to our commitment, we are submitting a comprehensive three-year proposal:

### *Objective:*

To sustain and enhance public perception and stakeholder knowledge regarding the importance of coal-based electricity in the State of North Dakota and the surrounding region, promote its benefits, and drive adoption and investment in emerging markets and value-added initiatives derived from the lignite industry.

### *Expected Results:*

- Development and execution of an integrated marketing and communications plan to educate the public about the North Dakota coal industry.
- Maintain strong favorability ratings of 66% or more in support of coal-based electricity in the State of North Dakota.
- Promote and educate the public and policymakers about emerging markets and value-added products from North Dakota lignite.
- Increase engagement in educational and marketing campaigns about the benefits and impacts of the North Dakota coal and electricity production industries.

### *Duration:*

The Regional Lignite Public Affairs Program is expected to be long-term to achieve the desired objectives. Therefore, this application is for three years and is expected to be Phase X of a long-term plan. This plan began in October 1996 with phase I. Subsequent phases occur every three years. With its proven track record, the Regional Lignite Public Affairs Program is geared to begin Phase X of this critical initiative on January 1, 2025.

### *Total Project Costs:*

The total budget for implementing the Regional Lignite Public Affairs Program is \$3.6 million over three years. This request from the Industrial Commission of North Dakota is for \$600,000 annually spread over three years, which will be matched by industry. Matching funds are secured via Lignite Energy Council membership dues.

### *Participants:*

The Lignite Energy Council, in collaboration with advisory boards and industry stakeholders, will oversee the implementation and evaluation of the program.

## **PROJECT SUMMARY**

This project, undertaken by the Lignite Energy Council (LEC) and advisory boards, aims to strengthen the reputation, perception, and awareness of coal-based electricity as well as demonstrate its importance to the State of North Dakota and the region over a three-year period. The objectives outlined in this project are grounded in strategic communication, data-driven awareness campaigns, educational outreach, and the development and promotion of emerging lignite-based markets.

The project's first objective is to maintain the public favorability ratings of coal-based electricity over the next three years. This will require consistent efforts to showcase the reliability, economic importance, and technological advancements within the coal industry to continue to maintain and move public opinion in a positive direction.

A key component of the strategy involves continuing our targeted awareness campaigns to reach a significant portion of the state's population and policymakers. This objective will boost the community's and policymakers' understanding of energy challenges, solutions, and the integral role coal-based electricity plays in the regional energy mix.

To guide this public awareness initiative, the project will focus on disseminating carefully crafted message priorities that articulate the lignite industry's goals and merits. Media relations activities include media visits, chamber events, news releases, social media, etc.

An ongoing effort will be made to develop and enhance educational and marketing initiatives that exhibit the advantages and cost-effectiveness of coal-based electricity. This focus ensures that the value of lignite electricity continues to be communicated effectively to consumers, supporting its status as a cornerstone of the regional energy supply.

Fulfilling these objectives, the project aims to maintain and build upon coal-based electricity's vital contribution to the State of North Dakota, advocating for its sustained use and advancement well into the future.

## **PROJECT DESCRIPTION**

The Lignite Energy Council and the Minnesota-focused Coalition for a Secure Energy Future serve as pivotal networks for the numerous individuals, businesses, officials, and groups in North Dakota and Minnesota who champion coal-derived electricity. Our organization offers a platform to unite and align with the State of North Dakota alongside common goals, ensuring effective education for the public and policymakers about the continued use of coal power.

The governance of the public affairs program is rigorously overseen and guided by a committee of representatives from the major member companies of the Lignite Energy Council (LEC) and technical advisement from the Lignite Research Council. The State Public Affairs Committee convenes as required to analyze public opinion polling, strategize, and devise tactics, all of which are executed by the dedicated Lignite Energy Council staff and contractors.

The Lignite Energy Council State Public Affairs Committee is tasked with developing and approving an integrated marketing and communications plan focused on public affairs and

strategic communications efforts. These efforts complement each other to support favorable political and regulatory outcomes regionally and nationally.

The Committee met in late November 2023 to begin developing a strategy for 2024 and 2025. One outcome of that meeting was a Messaging and Audience Priorities survey of the Committee members and members of the Lignite Energy Council Management Committee. The results of the survey were used to identify the following topics designated as the two main issues for the Regional Public Affairs Program to prioritize messaging and campaigns for 2024 and 2025:

- Regulatory “Trainwreck”
- Coal and Carbon Capture

The survey results also helped identify and prioritize topic and issue areas of advocacy and communications support that the State Public Affairs Committee, Lignite Energy Council Management Committee, and other stakeholders continue to value. While these areas and issues may not be the primary focus of public affairs campaigns in 2024, they do represent the major messaging components and educational efforts that support the mission of the Lignite Energy Council and the deliverables outlined in the Grant. These areas should be viewed as day-to-day functions and initiatives for the Council.

- Industry Education: North Dakota’s role in the regional energy mix including the grid reliability crisis
- Industry Education: Lignite’s value as a baseload power source and how it’s used
- Industry Education: Economic importance and impact of the lignite industry in North Dakota
- Additional general education about the fuel source, process, and industry

While this three-year proposal primarily addresses present strategies, the Lignite Energy Council emphasizes the need for adaptability in identifying future strategies, recognizing the dynamic nature of the coal-based electric industry, and the necessity for flexible approaches to meet evolving challenges and opportunities. For instance, while we will continue to promote the successes of the Lignite Research and Development program, we have only recently started a more aggressive promotion of carbon capture technology for the coal industry, such as carbon capture infrastructure and education about the science. It would not have made sense even a few years ago to be out in front of regional utilities in promoting carbon capture for coal before projects were announced, approved, or received funding. Our efforts in this area have served as a springboard and the most substantive building block for the recently approved Carbon Dioxide Education and Marketing grant that was approved by the North Dakota Industrial Commission and funded by the three state research councils.

The program’s directives aim to broaden awareness and support of coal-based electricity throughout the region. This involves educating legislators and other elected and appointed officials to increase their understanding of coal’s significance to families and businesses. Additionally, it includes meeting with like-minded associations and allies to support policies that keep coal-based electricity as a valuable component of the regional energy mix. It also entails using diverse communication channels to alert interested parties about the Program and

activities, along with proactively messaging about an “all-of-the-above” energy policy that includes and relies on coal-based electricity.

The public affairs committee, working closely with our consultants and staff, ensures seamless alignment of our promotional activities. We are committed to improving our strategies to effectively connect in this ever-changing environment. Despite the ever-changing landscape, certain core activities, such as audio and visual media promotion, earned media placements, and strategic paid media investments, will persist as foundational elements that anchor our commitment to communication. With the historic 10-year mark of the current Program and the 29<sup>th</sup> year of the State’s investment in a regional lignite marketing program, LEC will be conducting thorough evaluations of our contracts with current consultants, ensuring that they are still the best fit for our mission and objectives.

The staff of the Lignite Energy Council and our contractors collaborate closely with fossil fuel advocates, state and national trade groups, global research organizations, the Department of Energy, and academic institutions to deliver timely and accurate messages. We actively partner with the Energy & Environmental Research Center on educational initiatives and engage with both local and statewide chambers of commerce to champion coal-based electricity.

Weekly Lignite Line newsletters and quarterly Coal Suite webinars exemplify our strategy of creating communication tools for our primary audience (members) and repurposing them for secondary audiences. Lignite Line and Coal Suite highlight specific subjects we want our members to share with their friends and family, reinforcing their role as recognized experts in the energy industry. After distributing the information internally, we further amplify the content approved for public consumption by sharing it on social media platforms and with the media.

We will employ a range of media to reach diverse audiences, including policymakers, members, and the general public. Our communication channels include news releases, op-eds, advertising, websites, media relations, social media updates, grassroots outreach, and in-person meetings, all aimed at presenting a cohesive and strong endorsement of lignite-based electricity.

## **STANDARDS OF SUCCESS**

Public affairs strategies and activities are frequently oriented toward the long term, which makes calendar-based goal setting and evaluation difficult. Assessing the effectiveness of many public affairs strategies proves challenging due to their non-transactional nature and often revolves around engaging stakeholders and building alliances. Additionally, objectives may shift during the year, particularly when navigating external entities, regulations, or legislative bodies – what may be an emergent scenario in January could change or be replaced with something else by July. The following metrics serve as key indicators to gauge the effectiveness of our public affairs efforts. These will be continually updated with benchmarks and current figures throughout the year. *Some metrics may be excluded based on the campaign's evolving needs:*

- Social media interaction and engagement
- Comprehensive media coverage
- Media sentiment and tone analysis (positive, negative, neutral)

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- Email open rate
- Potential reach across viewership and publication distribution
- Website visitor traffic and analytics
- Advertising impressions and market penetration
- Further engagement metrics: letters of support/editorials, testimonies, and endorsements

## **BACKGROUND**

The Lignite Energy Public Affairs Program was first formed in 1996 to improve the overall public image of coal-based electricity and to promote its use as a low-cost, reliable, and environmentally sustainable energy source for the region. Public opinion polls in North Dakota show that attitudes toward coal-based electricity have improved significantly due to the sustained effort to promote the industry. In a 2023 poll, 72 percent of North Dakotans supported or strongly supported the use of coal to generate electricity.

North Dakota’s lignite industry is a cornerstone of the state’s economy, ranking as the fifth-largest industry statewide. It generates an impressive 12,000 primary and secondary jobs. The industry's economic impact resonates deeply, contributing a staggering \$5.75 billion annually in economic activity and a substantial \$104 million in local and state tax revenue each year.

The industry not only offers some of the highest-paying jobs in the state but also boasts an average annual wage of \$90,000 - \$120,000 for coal miners or power plant operators.

The lignite industry's success during the 2021 Legislative session highlights the effectiveness of the \$3.6 million invested over the past three years. This investment has maintained the industry's favorability ranking among the highest in the nation and established a solid foundation of support among North Dakota policymakers. As a result, the state has benefited from \$100 million in tax relief and has allocated millions more for research and development projects.

## **QUALIFICATIONS**

The Lignite Energy Council will be responsible for managing the Regional Lignite Energy Public Affairs Program.

*Lignite Energy Council:* The Lignite Energy Council is a regional trade association with the following mission statement “The Lignite Energy Council shall protect, maintain, and enhance development of our region’s abundant lignite resource.” LEC conducts programs in four separate areas including: government action; research, development and marketing; education; and public relations. Through these programs, the Council seeks to maintain a viable lignite industry and enhance development of North Dakota’s abundant lignite resources in a clean, economical and efficient manner. These programs provide timely, accurate information that enables elected officials, government leaders and the public to make sound, informed decisions on lignite issues.

The principal LEC employees involved in this program include:

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- **Jason Bohrer** - president & chief executive officer of the Lignite Energy Council. Jason is a graduate of North Dakota State University and earned his law degree from George Mason University. He was a member of the National Coal Council and serves on the North Dakota Empower Commission. Prior to joining the Lignite Energy Council, Bohrer worked nine years in Washington, D.C. During his career, Jason has worked on energy policy initiatives related to coal mining and energy development, as well as nuclear energy and waste disposal, oil and gas exploration, energy tax credits, hydropower relicensing, and biomass and other renewable energy projects. Jason has drafted legislation to facilitate the expansion of the nation’s transmission infrastructure and improve cybersecurity protocols. He was named to his current position in 2013 and has worked to expand its R&D capabilities, public affairs, and legislative programs.
- **Kay LaCoe** has worked for the Lignite Energy Council since 2008 and is currently the vice president - marketing & communications. Kay LaCoe is a graduate of the University of Mary with a bachelor’s of science degree in business communications and a master’s degree in organizational leadership. Kay’s background includes writing, public affairs, website development, graphic design, integrated marketing, and social media management. Prior to joining the Lignite Council in 2008, Kay spent the early part of her career at Basin Electric and Agency MABU working in the communications, marketing, and project management fields.

*Public Affairs Company:* The Public Affairs Company is based in Minneapolis, MN, and provides an integrated, bipartisan approach to public affairs. It incorporates communications and public relations counsel to help clients successfully execute successful public policy campaigns. The Public Affairs Company coordinates all advertising buys for the Coalition in Minnesota and North Dakota.

- **Luke Hellier** worked in government and politics prior to joining the Public Affairs Company. Luke brings a wide range of expertise in communications, political campaigns, community outreach and news media. Luke earned his degree in political science from St. John’s University in Collegeville, Minn.

*KAT Marketing*, a full-service marketing agency, founded in 1989 by its current owner and CEO, Todd Muggerud. KAT is based in Bismarck, ND, and offers a full spectrum of marketing and advertising services. KAT Marketing assists with Podcasts, a time-lapse photo project at BNI Coal’s Center Mine and the NextGen ND program.

*D&N Cinematics*, a full-service video production house based in Bismarck, North Dakota, creates and produces TV commercials, web-based content, drone-based aerial footage, grip truck rental and video editing. This group produced the 30-minute coal movie and the “I Am Lignite” campaign in 2020.

## **VALUE TO NORTH DAKOTA**

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The lignite energy industry is crucial to North Dakota's economic resiliency. Since 1988, lignite production has consistently averaged just less than 30 million tons annually, positioning North Dakota as the nation's top producer of lignite coal and just outside the top five coal-producing states in the nation. While the primary economic activity occurs in the three counties of Mercer, McLean and Oliver, the entire state of North Dakota benefits from the industry through jobs, taxes, and affordable and reliable electricity.

This Regional Public Affairs Program will assist in:

- Preserving and creating jobs involved in the production and utilization of North Dakota lignite;
- Ensuring economic stability, growth and opportunity in the lignite industry; and
- Supporting the lignite industry's significant contribution to North Dakota's tax base, generating substantial tax revenue that promotes prosperity throughout the state.

These efforts contribute to the increasing significance of lignite energy, as outlined in the North Dakota Century Code 54-17.5.01.

## **MANAGEMENT**

The project will be managed on a day-to-day basis by Kay LaCoe, Vice President of Marketing and Communications of the Lignite Energy Council, with oversight from Jason Bohrer, President and CEO of the Lignite Energy Council, with assistance from industry through the State Public Affairs Committee of the Lignite Energy Council (Exhibit 1).

## **TIMETABLE**

The implementation of the Lignite Regional Public Affairs Program is expected to be long-term to achieve the desired objectives. However, this application is for three years and is expected to be Phase X of a long-term plan. Phase X will be implemented starting January 1, 2025, and conclude December 31, 2027.

A thorough evaluation of all objectives will occur during the fourth quarter of each grant year to measure progress and inform the planning for future actions ensuring alignment with current industry goals and political objectives.

## **BUDGET**

The total budget for the implementation of the Regional Lignite Energy Marketing Plan is \$3.6 million over three years. Refer to Exhibit 2 for an itemized list of revenue and expenditures for this project. No equipment or additional facilities are needed to implement this budget. If the funding from the Lignite Research Council falls short of the requested amount, the achievement of our objectives will be significantly delayed.

**MATCHING FUNDS**

The Lignite Energy Council's approximately 250 members pay annual dues, enabling LEC to secure \$600,000 in cash match funds annually for three years. This matches the Industrial Commission's funding of \$600,000 annually over the same period.

**CONFIDENTIAL INFORMATION**

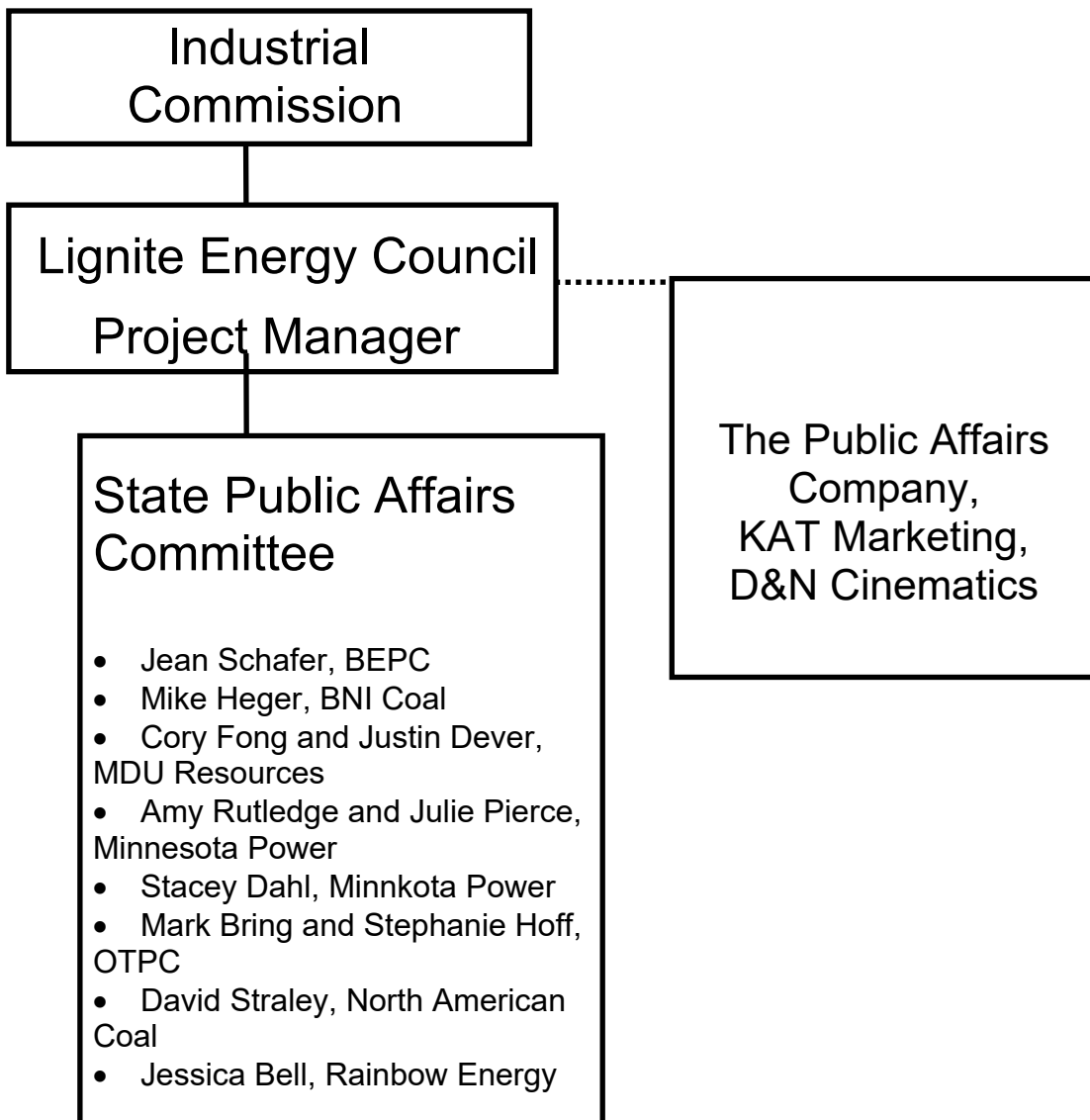
The applicant requests confidentiality pursuant to Section 54-17.5-06 of the North Dakota Century Code.

**TAX LIABILITY**

I, Jason Bohrer, certify that the Lignite Energy Council is not delinquent on any tax liability owed to the State of North Dakota.

Jason Bohrer, President  
Lignite Energy Council

## Management of North Dakota Lignite Energy Marketing Plan



## North Dakota Lignite Energy Marketing Plan Budget

Proposed Annual Revenue			
		Annual Project Budget	
North Dakota Industrial Commission	\$600,000		
Industry Stakeholder Commitments	\$600,000		
<b>Total Annual Revenue</b>	<b>\$1,200,000</b>		
<b>Proposed Annual Expenditures</b>			
Project Costs		Annual Project Budget	
		NDIC	Stakeholders
Advertising (North Dakota & Minnesota)	304,500	152,250	152,250
Salaries/Benefits/Management Fees	425,504	212,752	212,752
Professional Services	215,000	107,500	107,500
Special Projects	50,000	25,000	25,000
General (office expenses, travel, meetings)	104,996	52,498	52,498
Education/Outreach	100,000	50,000	50,000
<b>Total Annual Expenditures</b>	<b>\$1,200,000</b>	<b>\$600,000</b>	<b>\$600,000</b>

*Due to the various budgeting cycles for numerous industry stakeholders and the on-going recruitment of additional funders, it is requested that commitments over and above the \$600,000 from the Lignite Energy Council and industry stakeholders be matched by Industrial Commission funding of an increased corresponding amount. Alternatively, matching funds from the State may be smaller than \$600,000 annually if the production of lignite is reduced because of early closure of lignite-based facilities.*