Public Service Commission

Sheri Haugen-Hoffart Randy Christmann Jill Kringstad

600 East Boulevard Ave
Dept. 408
Bismarck, ND 58505-0480
701-328-2400
ndpsc@nd.gov

December 1, 2025

Honorable Julie Fedorchak
United States House of Representatives
1607 Longworth House Office Building
Washington, D.C. 20515

RE: Fair Allocation of Interstate Rates Act

Dear Congresswoman Fedorchak:

The North Dakota Public Service Commission strongly supports the Fair Allocation of Interstate Rates Act and believes this legislation is necessary to protect North Dakota consumers. This legislation ensures energy transmission facility costs are borne by those who benefit from them and prevents North Dakota utility ratepayers from subsidizing expensive renewable energy strategies advanced by policymakers in other states.

Transmission costs have rapidly become a large portion of electric customer bills. Over the past 20 years, North Dakota customers saw the portion of their investor-owned utility bill attributed to transmission costs nearly triple. Much of this cost increase is due to the aggressive renewable energy strategies implemented in other states. By nature, renewable energy sources are built in rural locations far from the load they serve. This requires additional transmission, which drives up costs for North Dakota ratepayers, who receive minimal benefit from these facilities.

This inequity is the subject of our complaint against the Midcontinent Independent System Operator (MISO) at the Federal Energy Regulatory Commission (FERC) regarding MISO's Tranche 2.1 portfolio of transmission projects. These projects are in large part driven by the policy preferences of some states and utilities but are proposed to be recovered from all ratepayers throughout MISO's nine state north region footprint. The buildout would enable the states and utilities with renewable generation goals to more cost effectively connect their desired generation types (which are located far away from load) to the grid.

This legislation codifies what is already a historically effective solution. In the 1970s Minnkota Power Cooperative and Great River Energy recognized that their customers in Minnesota needed significant quantities of energy. At that time the most cost effective and reliable source for that energy was the coal resources in North Dakota. Those two entities recognized the demand for new coal generation facilities and the need for large transmission lines to get that generation to their Minnesota customers and did not require North Dakota to share in their costs.

Calls from some state policymakers continue to voice the desire to retire historically cost- effective and reliable energy sources in favor of more intermittent sources. While we recognize the rights of other states to implement energy policies in line with the will of their voters, the citizens of North Dakota should not be required to subsidize the costs of those more expensive policies. As such, we believe the proposed legislation is necessary to protect North Dakota consumers.

Sincerely,

Sheri Haugen-Hoffart
Commissioner

Randy Christmann
Commissioner

Jill Kringstad
Commissioner