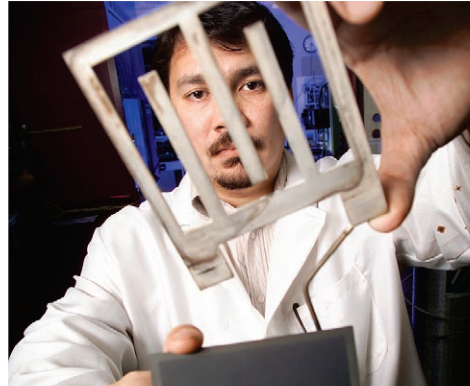


North Dakota



NORTH DAKOTA: A model for renewable energy development.

**“More than
\$1 billion in new
energy-related projects
have been announced
since spring 2005.”**

– Governor John Hoeven



North Dakota *em* “powers” energy growth.

North Dakota exports nearly 70 percent of the electricity it produces. Since spring 2005, capital investments of more than \$1 billion in new energy-related projects have been announced. These and others will annually produce 85 million gallons of biodiesel, 325 million gallons of ethanol and over 320 MW of wind-powered electricity.

The Hoeven administration has implemented *incentives to stimulate the production and use of renewable fuels.*

North Dakota has a comprehensive energy plan for production, marketing, finance and tax incentives for renewable fuels. These incentives target five areas: ethanol, biodiesel, wind, hydrogen and biomass. For example:

- ▶ A 30 percent investment tax credit for investors in ethanol or biodiesel production facilities;
- ▶ Up to \$250,000 in tax credits for firms that invest in equipment to blend biodiesel;
- ▶ A jurisdictional threshold for siting electrical power generation facilities of 100 MW thus reducing regulatory burden;
- ▶ Funding for a long-term study into the potential of switchgrass propagation and use; and
- ▶ \$2.5 million for the nation’s only Center for Hydrogen Technology located in North Dakota.

We are a *model* for traditional and renewable energy development.

In North Dakota, you will find innovative energy projects that maximize traditional and renewable energy resources. In addition, we are conducting world-class research on initiatives like hydrogen technology, CO₂ sequestration, biomass, alternative fuels, wind energy and clean coal technologies.

North Dakota has a comprehensive plan to stimulate the production and use of renewable fuels.

BIODIESEL

- ▶ A \$1.2 million Biodiesel PACE program which provides up to \$650,000 in interest buy down for a biodiesel plant
- ▶ Up to \$250,000 in tax credits for firms that invest in equipment to blend biodiesel
- ▶ An income tax credit of 10 percent per year for up to five years, or 50 percent of direct costs, for biodiesel sales equipment that retailers purchase
- ▶ An income tax credit of \$.05 per gallon for any fuel supplier that blends biodiesel fuel to the ration of five percent or B5
- ▶ A sales tax exemption on the sale of new equipment to any facility that sells diesel fuel with at least two percent biodiesel
- ▶ A reduced fuel tax on biodiesel fuel sold in North Dakota

ETHANOL

- ▶ A continuing appropriation for the Governor's Counter-cyclical Ethanol Production Incentive
- ▶ A 30 percent investment tax credit for investors in ethanol or biodiesel production facilities
- ▶ Up to \$500,000 for state-wide effort to enhance public consumption of ethanol
- ▶ Matching grants for service stations that install E85 pumps
- ▶ A reduction of highway tax from \$.23 to \$.01 for 1.2 million gallons of E85 (increased number of E85 pumps from three to 31)
- ▶ Directive for state Department of Transportation to use E10 blended fuel in all state vehicles and acquire E85 vehicles when purchasing new vehicles

HYDROGEN

- ▶ A sales tax exemption on hydrogen to power an internal combustion engine or fuel cell
- ▶ \$2.5 million for the nation's only Center for Hydrogen Technology located in North Dakota. The center received funding from the Centers of Excellence program and will leverage up to \$14.5 million in additional funding

BIOMASS

- ▶ Partial funding of a study on the potential of co-firing biomass with coal
- ▶ Receipt of a Western Governors' Association biomass energy grant
- ▶ Funding for a long-term study into the potential of switchgrass propagation and use
- ▶ Funding for waste gas and biomass projects at two existing facilities in North Dakota
- ▶ Working closely with the USDA Section 9006 program on potential biomass projects involving rural businesses and farm/ranch producers

WIND

- ▶ A North Dakota Transmission Authority was created to promote new investments in transmission lines
- ▶ A provision to allow the trading of premium renewable energy credits
- ▶ A raised jurisdictional threshold for siting an electrical power generation facility from 50 to 100 MW
- ▶ A provision to reduce the maximum siting application fee for a power conversion facility or transmission corridor to \$100,000 and to return any unspent portion
- ▶ A reduction to 1.5 percent in the assessed value of wind turbine electric generation units
- ▶ Property tax exemption for new or expanded capacity electric transmission lines
- ▶ Creation of a study bill to explore the use of wind energy to generate electricity for hydrogen fuel production



FOR MORE INFORMATION, CONTACT:
North Dakota Department of Commerce Energy Office
701-328-5300 • Business Hotline: 1-866-4DAKOTA