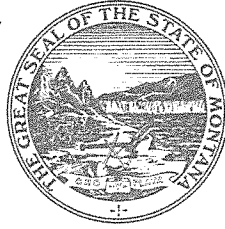


Montana Public Service Commission



December 13, 2017

Brad Johnson - Chairman
Travis Kavulla - Vice Chairman
Roger Koopman - Commissioner
Bob Lake - Commissioner
Tony O'Donnell - Commissioner

Joe Schwartzenberger
Director of Regulatory Affairs
NorthWestern Energy
11 East Park Street
Butte, MT 59701

RE: Data Requests in Dockets D2016.4.33 and D2017.8.65

Dear Mr. Schwartzenberger,

Enclosed please find data requests of the Montana Public Service Commission to NorthWestern Energy numbered PSC-001 through PSC-010 in the above-referenced Dockets. Please begin the response to each new numbered data request on a new page. Please provide responses on or before January 5, 2018. If you have any questions, please contact me at (406) 444-6182 or rarnold2@mt.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Arnold", followed by a horizontal line.

Robin Arnold
Analyst, Regulatory Division
Montana Public Service Commission

Service Date: December 13, 2017

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF NorthWestern Energy’s Petition) REGULATORY DIVISION
for a Waiver from Compliance with the Community)
Renewable Energy Project Purchase Obligation for) DOCKET NO. D2016.4.33
Calendar Year 2015 and for a Declaratory Ruling)
regarding the Administrative Penalty contained in)
Mont. Code Ann. § 69-3-2004(10).)
)
IN THE MATTER OF NorthWestern Energy’s Petition)
for a Waiver from Compliance with the Community) DOCKET NO. D2017.8.65
Renewable Energy Project Purchase Obligation for)
Calendar Year 2016.)

DATA REQUESTS PSC-001 THROUGH PSC-010 OF THE
MONTANA PUBLIC SERVICE COMMISSION TO
NORTHWESTERN ENERGY

PSC-001

Regarding: Documents Related to RFP
Witness: LaFave and Lewis

- a. Please provide copies of all materials received in response to the CREP RFP issued June 13, 2014 (“2014 CREP RFP”), and the CREP RFP issued on July 1, 2015 (“2015 CREP RFP”), including correspondence between bidders and NorthWestern or Lands Energy.
- b. If NorthWestern or Lands Energy put together a comparison or summary of the responses for each the 2014 CREP RFP and 2015 CREP RFP, such as a spreadsheet(s) or other document(s), please provide the comparison (complete with working spreadsheet formulae if in spreadsheet form).
- c. Please provide any documentation from bidders, from Lands Energy, or from NorthWestern, about the cost of wind integration as it relates to evaluating bids or selecting the short list for the 2014 CREP RFP and 2015 CREP RFP.
- d. Please provide the actual timeline for the RFP process, negotiations, and execution of contracts for both the 2014 CREP RFP and 2015 CREP RFP.

PSC-002

Regarding: PPAs
Witness: LaFave

Please provide any Purchase Power Agreements (“PPAs”) that resulted from the 2014 CREP RFP and 2015 CREP RFP.

PSC-003

Regarding: Transmission Upgrade and Pro Forma Analysis
Witness: LaFave

Please provide the Transmission Upgrade and Pro Forma Analysis done for proposals from the 2014 CREP RFP responses (referenced in Ex. SEL-3 p. 6, NWE Pet., Docket D2016.4.33).

PSC-004

Regarding: Wind Integration Costs
Witness: LaFave

Please explain how the wind integration costs were determined for Greycliff and New Colony’s responses to the 2014 CREP RFP, and provide any related calculations or worksheets.

PSC-005

Regarding: CREP Ownership
Witness: LaFave

- a. Did NorthWestern review the ownership proposal in the responses New Colony and Greycliff provided in the 2014 CREP RFP?
- b. If the answer to a. is yes, what made NorthWestern confident that the proposals would be certified by the Commission as CREPs?
- c. If the answer to a. is no, why was there no analysis?

PSC-006

Regarding: CREP Ownership
Witness: Lewis

Greycliff became a finalist as a result of the CREP RFPs issued in 2013 and 2014, but in each instance failed to meet the eligibility standard for local ownership. What changed in the project’s ownership structure to make Lands Energy think it might meet the ownership requirement for certification and should be included in the short-list of responses from the 2015 CREP RFP?

PSC-007

Regarding: Avoided Costs
Witness: LaFave

Please provide any analysis that was done on the 2014 CREP RFP finalists to calculate the cost effectiveness and avoided costs of the projects.

PSC-008

Regarding: Dismissed Proposals from the 2015 CREP RFP

Witness: Lewis/LaFave

- a. Other than the fact that Proposal 2 in the 2015 CREP RFP offered a later COD, was it cost competitive with the short-listed proposals from that RFP?
- b. If the answer to a. is yes, please explain why or why not it would it be reasonable for NorthWestern to continue negotiations with Proposal 2 for potential fulfillment of its CREP obligation in future years.
- c. Did NorthWestern or Lands Energy attempt to initiate any negotiations for early termination to the power output and REC sales for Proposal 8 prior to it being determined that the negotiations would be too complex? Please explain the rationale for the decision.

PSC-009

Regarding: Avoided Cost Calculation for 2015 CREP RFP Responses

Witness: Hansen/LaFave

- a. In Docket D2015.8.64 (Greycliff Wind Prime, LLC), Commission Order 7463d determined that Colstrip Unit 4's ("CU4") variable costs should not become the basis for avoided costs during periods when NorthWestern projects that it will be in a long term position. Order 7463d ¶ 38. What would the portfolio value of the short-listed projects responses to the 2015 CREP RFP be if the market price was used instead of the variable cost of CU4 at times when NorthWestern's supply portfolio is long and the market price is higher than the variable cost of CU4? Please provide the worksheets and calculations.
- b. Mr. LaFave states that the wind integration and transmission upgrade costs were calculated consistent with NorthWestern's calculations filed in the Greycliff docket (Docket D2015.8.64), B JL-19, Lines 8-14. What would the wind integration and transmission upgrade costs be for the portfolio values of the 2015 CREP RFP proposals based on calculations approved in Order 7463d?

PSC-010

Regarding: DNV-GL Findings

Witness: Lewis/LaFave

Please provide the energy assessment performed by DNV-GL for the short-listed proposals in the 2015 CREP RFP, as referenced in Exhibit_SEL-5 in Docket D2017.8.65.