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May 12, 2017

State of Montana
Public Service Commission
Brad Johnson, Travis Kavulla, Bob Lake, Roger Koopman, Tony O'Donnell
1701 Prospect Avenue
Helena, Mt 59620

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MONT. P.S. COMMISSION

RE: Docket D2016.4.33

Dear Commissioners,

Montana's Renewable Power Production and Rural Economic Development Act requires NorthWestern Energy (NWE) and Montana-Dakota Utilities (MDU) to cumulatively acquire 75 megawatts of Community Renewable Energy Projects (CREPs). This requirement is proportionately allocated to each utility based on their retail sales of electrical energy in Montana, resulting in NWE needing to acquire 65 megawatts and MDU needing 10 megawatts. MDU has met their requirement, however NWE remains 40 megawatts short of compliance.

This docket follows a concerted effort by NWE at the 2017 Montana Legislature to remove the CREP provision from law. It also marks the fourth time the company has requested a compliance waiver, raising concerns about whether the company is making a sincere effort to come into compliance. While the three previous waivers were granted, it should be noted that testimony within each of those dockets revealed renewable energy developers and other parties expressing concern about NorthWestern's decision making during the CREPs acquisition process.

Additionally, the challenge with CREPs would not seem to be a lack of developer interest. Numerous renewable energy developers have responded to CREP Requests for Proposals over the years, however few projects have been completed. Developers seem to be doing their part to participate – and costs for wind and solar projects have continued to decline – and yet NorthWestern remains out of CREP compliance.

We encourage the commission to scrutinize the current waiver application and, if necessary, hold NorthWestern accountable for remaining out of compliance with CREPs. This could include assessing NWE's follow through on previous commission recommendations for improving a CREP process, such as thorough consideration of both PPAs and build-transfers.

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We also urge the commission to retain the denial of the declaratory ruling sought by NorthWestern in Docket D2015.3.27 regarding the administrative penalty. The issue having already been decided, it would seem unnecessary to include in this current docket.

Looking forward, there is an opportunity to learn from the failures of previous CREP processes in order to improve the chances of future success. Challenges that previously kept projects from reaching fruition should be well known by now, allowing for a new and improved effort that addresses them from the beginning. Through our participation in the Energy and Technical Advisory Committee we have provided this feedback to NorthWestern, encouraging enhanced efforts be made. This could include making the RFP process more transparent, such as conveying in advance elements of the scoring system used to shortlist projects and expanding the time between RFP issuance and the bid closing date.

Community Renewable Energy Projects drive investments into Montana communities, create jobs, local tax payments, and clean affordable energy. Please use due diligence in holding NorthWestern Energy accountable for meeting this requirement so that more communities can reap these benefits.

Thank you,

Brian Fadie
Clean Energy Program Director
Montana Environmental Information Center