

Service Date: April 19, 2017

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

IN THE MATTER OF the Petition of) REGULATORY DIVISION
NorthWestern Energy for a Waiver from the)
Community Renewable Energy Project) DOCKET NO. D2016.4.33
Purchase Obligation for 2015 and for a)
Declaratory Ruling Regarding the)
Administrative Penalty)

NOTICE OF PETITION AND INTERVENTION DEADLINE

On December 20, 2016, NorthWestern Corporation, doing business as NorthWestern Energy (NWE), filed a *Consolidated Petition for a Waiver from Compliance with the Community Renewable Energy Project Purchase Obligation for Calendar Year 2015 and for a Declaratory Ruling Regarding the Administrative Penalty* (Petition) with the Montana Public Service Commission (PSC).

A community renewable energy project (CREP) is an “eligible renewable resource” no larger than 25 megawatts (MW) either “owned by a public utility” or “in which local owners have a controlling interest.” Mont. Code Ann. § 69-3-2003(4) (2015). NWE was to have had 65.4 MW of CREP power in 2015, but failed to procure 40.4 MW. Pet. p. 3; Test. LaFave p. BJL-6. The PSC has “authority to generally implement and enforce” CREP requirements, and to “define the process by which waivers from full compliance . . . may be granted.” *Id.* at § 69-3-2006.

On March 28, 2016, NorthWestern sent a letter to the Commission stating that it would be filing a waiver of the 2015 CREP requirement, but that it was awaiting a final order on its 2014 CREP waiver in Docket D2015.3.27. NorthWestern also indicated that the people responsible for preparing the CREP waiver filing were also involved in preparing NorthWestern’s 2015 Resource Procurement Plan and associated biennial QF-1 filing.

NWE has filed three prior petitions for a waiver from CREP requirements. The first petition sought a three-year waiver, which was granted for 2012 but denied for 2013 and 2014.

Or. 7177b, Dkt. D2011.6.53, ¶¶ 49-50 (May 31, 2012) (waiving penalty for 2012). The second petition sought a waiver for 2013, which the PSC granted. Or. 7334g, Dkt. D2013.10.77, ¶¶ 17-19 (Dec. 9, 2014) (partly reversing Order 7177b and waiving penalty for 2013). The third petition sought a waiver for 2014 and requested a declaratory ruling that the administrative penalty provision of the Montana Renewable Power Production and Rural Economic Development Act does not apply to a utility that has not met its obligation to acquire CREPs. Mont. Code Ann. § 69-3-2004(10), Dkt. D2015.3.27. The PSC granted the waiver, and issued an order denying to grant the declaratory ruling sought by NWE. Or. 7416b and Declaratory Ruling, Dkt. D2015.3.27.

NWE's fourth Petition seeks a waiver for 2015, as well as a declaratory ruling "that the administrative penalty . . . has no application to [NWE] for the year 2015, or for any subsequent year in which it acquires sufficient [renewable energy credits] to comply with the delivered energy standard. . . ." Pet. p. 7; Mont. Code Ann. § 69-3-2004(10). NWE claims it "undertook all reasonable steps" to achieve full compliance in 2015 but could not "due to legitimate documented reasons beyond its control." Pet. p. 3.

The PSC will conduct this proceeding as a contested case. Mont. Code Ann. §§ 2-4-601 *et seq.* A copy of the Petition is available for inspection at the PSC's business offices, 1701 Prospect Avenue, Helena, Montana 59601, and can also be viewed on its website (<http://psc.mt.gov>) under Docket D2016.4.33. The Montana Consumer Counsel (MCC) represents consumer interests before the PSC and also has a copy of the Petition available for inspection at 111 North Last Chance Gulch, Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771.

Any interested person who is directly affected by the Petition and wants to be a party to this proceeding must file a petition to intervene with the PSC **May 12, 2017** (intervention deadline). By the intervention deadline, a person petitioning for intervention must: (1) Submit the petition electronically (e-file) on the PSC's website ("Account Login/Registration" under "Electronic Documents" tab); and (2) physically deliver or mail the original petition to the PSC at the above address. The PSC will not post an e-filed petition to its website until it receives the original from the petitioner. A person petitioning for intervention must also serve a hard copy of the petition on NWE and the MCC.

An interested person who does not wish to formally intervene in this docket may mail or deliver written comments to the PSC at the above address, or submit the comments electronically on the PSC's website at <http://psc.mt.gov> ("Comment on Proceedings").

BY THE MONTANA PUBLIC SERVICE COMMISSION

BRAD JOHNSON, Chairman
TRAVIS KAVULLA, Vice Chairman
ROGER KOOPMAN, Commissioner
BOB LAKE, Commissioner
TONY O'DONNELL, Commissioner