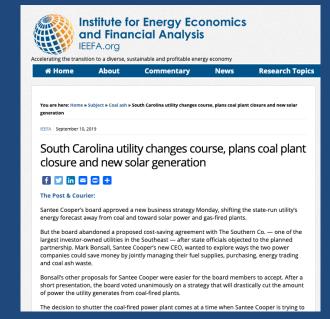
## Welcome!

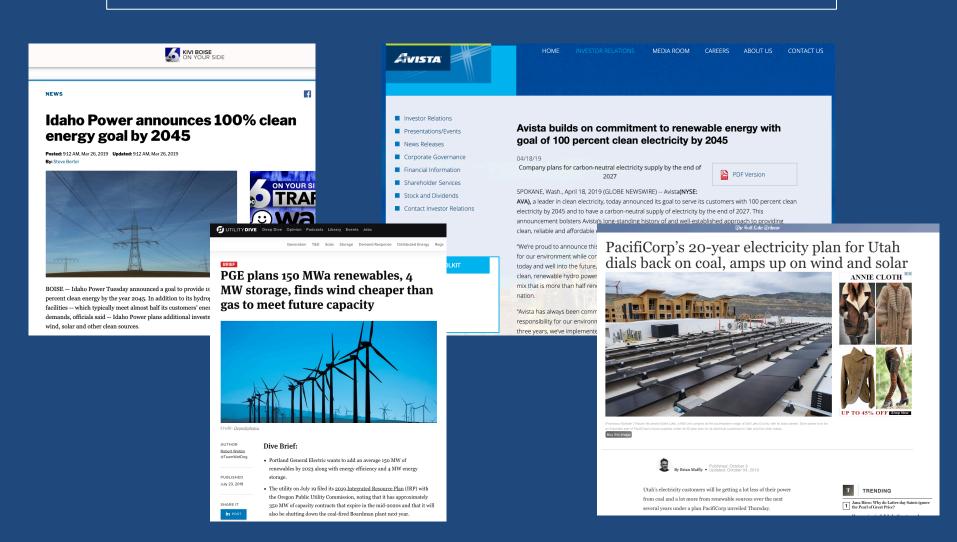
What's the Deal with NorthWestern Energy?

Because NorthWestern has not been like utilities...

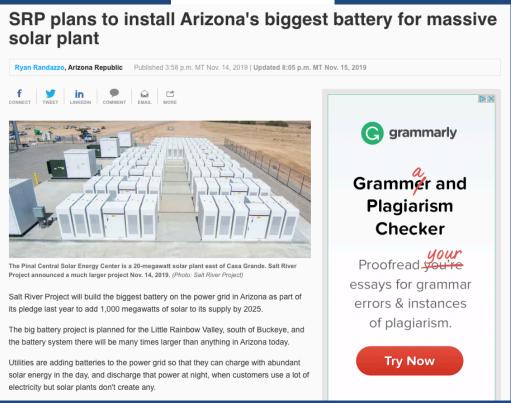








#### azcentral.



Because NorthWestern has not been like utilities...

**But it can be!** 

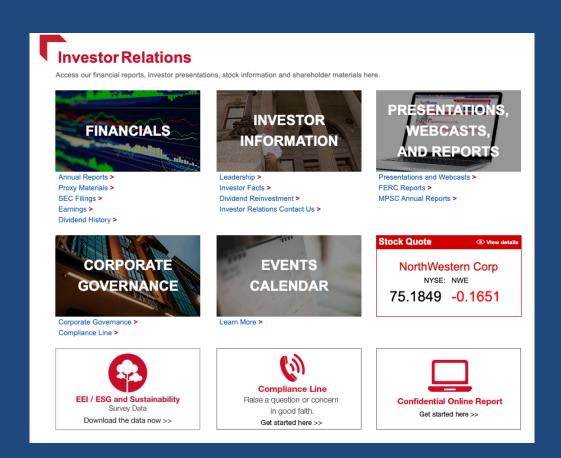
Utilities can be the hero in the climate fight!

- Unfortunately, NorthWestern has been:
  - Fighting renewable energy policies
  - Fighting to make customers pay exorbitant prices for coal energy (aka the "Colstrip Bad Deal")
  - Only wants to build expensive fossil fuel gas plants
    - 2019 "Resource Plan" = zero new wind/solar
    - Only new fossil fuel gas plants

- Because NorthWestern has been:
  - Bad for climate change
  - Bad for ratepayers
  - Shows no signs of stopping

#### **Company Overview**

• For-profit company (with South Dakota HQ)



#### **Company Overview**

- For-profit company (with South Dakota HQ)
- Board of Directors: Only 2 of 8 are Montanans (1 = Bob Rowe)
- State protected monopoly in exchange for additional regulation
- Company must follow law, so its lobbyists and lawyers shape Montana laws to increase company profits



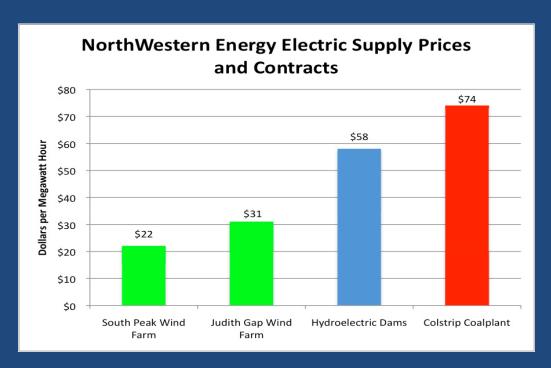
- What do utility executives consider when making decisions?
  - Profit
  - Profit
  - Profit
  - Keep the lights on (to facilitate profit)
- Utility business model is cost+
  - Add up all spending
  - Multiply by "reasonable profit margin" (~10%)
  - That's it (simplified)
  - Therefore: More expensive energy = more profit for utility

- Problem for utility executives:
  - Renewable energy now cheaper than fossil fuels



Source: Lazard Levelized Cost of Energy (2019)

Problem for utility executives:



Source: Montana Consumer Counsel (2018)

Problem for NorthWestern executives:



- 400 MW Solar
- 300 MW Battery (big!)
- \$20/MWh (cheap!)

# How Has the Company Been Bad for Climate and Ratepayers?

## Attacking Rooftop Solar

#### **Endless Attacks on Rooftop Solar**

- Rooftop solar = competition, less spending (i.e. less profit)
- Consistent attacks at legislature
- Always trying to harm rooftop solar economics (new fees, reduced value for excess energy)
- Happening Now: BIG attack by company in "Rate Case" at PSC

#### **Expensive Coal Energy**

#### The Colstrip Bad Deal (Part 1)

2007: NorthWestern shareholders buy Colstrip share for \$187 million.

2008: Company gets Colstrip put into customer's rates as if it's worth \$407 million (not the \$187M actually paid).

Through this unusual maneuver NorthWestern executives created hundreds of millions of dollars in profit (paid for by Montanans).

This is why NorthWestern wants to keep Colstrip running.

#### **Expensive Coal Energy**

#### The Colstrip Bad Deal (Part 2)

2019 Legislature: NorthWestern pushed extreme bills to force ratepayers to buy more of Colstrip (SB 278, SB 331)

Would have put ratepayers on the hook for untold millions in costs (expensive operations + cleanup)

BIG hit to company reputation

#### They Know They're In Trouble

Massive TV advertising campaign to mend the company's image (expensive!)





# Going Forward

#### **Expensive Gas Plants**

- NorthWestern only wants to build gas plants
  - 2019 "Resource Plan" = <u>zero</u> new wind/solar for next 20 years
  - Only new gas plants
  - Pretends Colstrip will run 20+ years
- Gas plants =  $CO_2$  and methane
- More expensive = more profit
  - Gas plants require major infrastructure (pipelines, etc)
  - NWE <u>needs</u> new pipelines for gas plant build out

#### **Expensive Gas Plants**

"The natural gas pipelines that serve NorthWestern's service territory are near full capacity. [...] Installation of significant new natural-gas fired generation anywhere in the NorthWestern service territory will likely require pipeline capacity upgrades or interruptible pipeline service with diesel fuel backup."

- NWE 2013 long-term resource plan, page 5-23

#### The Process

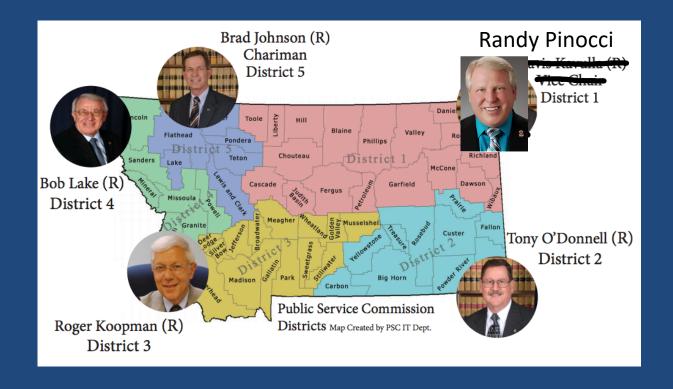
- Process for new power plant approval"
  - 1. Create 20-year plan, identify least-cost way to meet future energy need
    - We are here
    - Utilities manipulate this step
  - 2. Issue Request for Proposals (RFP)
    - Utilities manipulate this step
  - 3. Get Public Service Commission approval by pointing to 20year plan and RFP process

#### Submit Comments to PSC

- PSC accepting comments now on Resource Plan (Jan 3rd deadline)
- Email: psc\_utilitycomment@mt.gov
- Include: "Regarding docket 2019.08.052"
  - For example: "This comment is regarding docket 2019.08.052"
- PSC Comment Hearing:
  - December 9, 2019 @ 1:30pm and 5pm
  - PSC Helena Office (1701 Prospect Ave)

#### **Public Service Commission**

- 5 elected commissioners
- Approve/deny new power plants (and more!)



#### **Grassroots Outreach**

#### We are customers

- We can demand action of our utility
- Your wants are legitimate don't have to be engineer, lawyer, etc.

#### • We are citizens

- We can demand action of our representatives
  - Public Service Commissioners
  - Governor, Legislators
  - Cities and counties
  - Montana Consumer Counsel
    - 406.444.2771
    - Bob Nelson (robnelson@mt.gov)

#### **Grassroots Outreach**

#### Join your local orgs fighting for a clean energy future!

- We will keep you informed, confident
- Alerts for opportunities to make a difference

• Because **today** NorthWestern is not....







But together we can make it so!

## Thank You!

- Q and A
- Interest in GF city activity?