From:	carla abrams
To:	Grp. City Council and City Web Site
Cc:	carla abrams
Subject:	northwestern energy in the news
Date:	Wednesday, June 24, 2020 10:31:56 AM

Dear City Council,
an interesting article. Northwestern Energy is a bad apple, we should not forget that...regarding our new MOU.
thanks,
carla abrams

Snarky comment from NWE: "NorthWestern not only objected, it said the Northern Cheyenne's request was being made to the wrong party. The utility said the tribe should get its transition funding from the Sierra Club."

Transition funding for Colstrip needs attention, advocate says

TOM LUTEY tlutey@billingsgazette.com BILLINGS — It's been nearly three years since Colstrip Power Plant owners in Washington state first committed millions of dollars to helping their Montana company town transition to a post-coal era. But, in Big Sky Country, the discussion keeps getting shelved.

As organizations sought this month to compel power plant co-owner NorthWestern Energy to talk about chipping in to the transition effort, the utility argued that now wasn't the time. Montana's Public Service Commission agreed with NorthWestern. Commissioner Roger Koopman characterized transition funding as a charitable donation that should come from NorthWestern's Montana customers.

Commissioner Tony O'Donnell led the PSC majority in deciding, with little discussion, not to compel NorthWestern to respond to transition funding questions. Koopman, despite his earlier comments, was the only commissioner not to support O'Donnell.

NorthWestern is seeking to buy out one of the power plant's other owner's interest in Colstrip Unit 4. Puget Sound Energy is selling its 25% share of the unit for an aggregate price of $1. In doing so, Puget says its customers will save up to $48 million, even as the utility continues to pay for environmental cleanup associated with the unit share.

Because NorthWestern never raised the issue of transition funding in its application for pre-approval to buy at least half of what Puget is selling, the utility says it shouldn't have to discuss it.

That's not the way Chuck Macgraw sees it. Last Friday, the attorney for the National Resources Defense Council asked the PSC to reverse its earlier order and require NorthWestern to answer questions about transition funding for the communities whose economies depend on Colstrip. The economy of the City of Colstrip, population 2,266, is built around its namesake power plant and the Rosebud Mine, which has fed the Colstrip Steam Electric Station for 45 years.

"Is this commission of the opinion that it has no responsibility to take affirmative steps to protect the City of Colstrip and plant for a future for the community of Colstrip after coal generation?" Macgraw argued in a Friday filing. The coal power complex is also a crucial economic driver for the Northern Cheyenne Tribe, whose

reservation is 18 miles to the south.

NorthWestern declined to answer questions for this article, including how long it was committed to keep Colstrip operating. Given a week to respond, NorthWestern said in an email Monday that the questions asked by Lee Montana Newspapers were too closely associated with the merits of its open cases before the PSC.

None of those cases offer a hard commitment by the utility to keep Colstrip operating for a specific time period. Lee asked whether NorthWestern was committed to keeping the power plant operating for at least 10 years. **The utility was also asked whether it would commit to running Unit 4 through 2042, which is when NorthWestern's Montana customers are expected to finish paying for the utility's current 30% share of the unit.**

The time to talk about Colstrip transition funding is now, Macgraw said, while all six of the power plant's owners are still around and two of Colstrip's units continue producing electricity.

Each of the last four years have raised the level of uncertainty for the large generators in southeast Montana.

In 2016, Oregon announced it would start phasing out Colstrip power in 2030. The federal Clean Power Plan also threatened to shutter the then four unit power plant's two oldest generators in order for Montana to comply with greenhouse gas restrictions. A court injunction granted to Montana and other coal friendly states halted the federal rule, but by that summer Units 1 and 2 were offered up for shutdown no later than 2022 to settle an air-pollution lawsuit.

In 2017, Colstrip owner Puget Sound Energy agreed to be financially ready by the end of 2027 to shut down Colstrip. Puget was the only owner with a stake in all four of the power plant's generation units. The agreement was struck as part of a settlement of Puget's 2017 general rate case. Also part of that settlement was $10 million to help the City of Colstrip transition past the power plant's inevitable shutdown. That transition money was directly tied to claims filed by NRDC.

In 2018, Units 3 and 4 were shut down for 77 days after failing to pass federal mercury air toxics standards. And, another Washington-based Colstrip owner, Avista Corp., raised the possibility of transition funding for the community. Avista was also syncing up with Puget's 2027 deadline to be financially ready for a Colstrip shutdown.

Last year, a Colstrip departure date became clearer for the power plant's Washington owners. Washington passed the Clean Energy Transformation Act, which bans coal power at the end of 2025. A couple months later, it was announced that Colstrip Units 1 and 2 were uneconomical and would shut down at year's end. The two owners of Colstrip Units 1 and 2 are Puget and Talen Energy, now headquartered in Texas. The year ended with Avista Corp. committing $3 million in transition funding for communities in the greater Colstrip region, including the Northern Cheyenne Tribe.

At least three different parties have raised the issue of NorthWestern Energy providing transition funding for the Colstrip region. In 2019, the Northern Cheyenne requested that NorthWestern not only provide $4.5 million in transition funding, but also above market prices for any renewable energy sold by the Northern Cheyenne in the future.

NorthWestern not only objected, it said the Northern Cheyenne's request was being made to the wrong party. The utility said the tribe should get its

transition funding from the Sierra Club.

This spring, the City of Colstrip intervened on the NorthWestern's application to buy more of Unit 4. The city first raised the issue of transition funding with NorthWestern, but then withdrew its questions.

"Our position on it was to concentrate on the intervention and the acquisition of the generation. We would feel that (questions about transition funding) would hinder the process they're going through and we're not going to put anything in there that's going to hinder the process of support on that," said John Williams, Colstrip mayor. "We very much support that acquisition. We feel its in the best interest of our community and a lot of other aspects related to that."

Williams said the city was concerned about the transition funding when it comes from Colstrip owners intending to leave town. The town of Colstrip played no part in negotiating transition funding from Puget Sound Energy, or the $3 million Avista Corp. committed to in 2019.

Macgraw argued that it is illegal for the Public Service Commission to exclude transition funding from NorthWestern's application to buy more of Unit 4. Commissioners had previously indicated the case was the right time for the transition funding discussion.

"This is a proceeding to determine whether NorthWestern Energy should acquire a greater share of Colstrip Unit 4," Macgraw wrote the commission. "To make this determination the commission must evaluate a great number of factors, including, and most pertinently, what the future holds for Colstrip Generation Station. Because the future of the community and the future of Colstrip generation are inextricably intertwined.