

# Renewable Energy in Montana - Survey for Utilities and Suppliers

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**COMPLETE**

**Collector:** Follow Up 2 (Email)

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PAGE 1

**Q1: What is the name of the utility or electricity supplier you represent?** NorthWestern Energy

**Q2: What years were or are you subject to Montana's RPS (69-3-2004, MCA)?** All years

**Q3: Have you been able to meet the overall percentage requirements?** Yes

**Q4: If you received a waiver, what was the overall cost (includes administrative costs) of the waiver?** Respondent skipped this question

**Q5: If you have not met the standard or received a waiver, have you paid an administrative penalty?** Respondent skipped this question

**Q6: What eligible renewable resources have you used to meet the overall percentage standards?**

Judtith Gap - 135 MW w ind  
 Spion Kop - 40 MW w ind  
 Gordon Butte - 9.6 MW w ind  
 Turnbull - 13 MW hydro  
 Flint Creek - 2 MW hydro  
 Low er South Fork - 0.5 MW hydro

**Q7: Are you subject to the CREP requirement?** Yes

**Q8: Have you met the CREP requirement?** No,  
 If not, have you received a w aiver for any compliance year?  
 Yes

**Q9: If you received a waiver, what was the overall cost (includes administrative costs) of the waiver?** NWE estimates conservatively that it has expended \$25,000 to date on w aiver filings.

**Q10: If you have not met the requirement or received a waiver, have you paid an administrative penalty?** No

**Q11: What eligible renewable resources have you used to meet the CREP requirement?**

Gordon Butte - 9.6 MW w ind  
 Turnbull - 13 MW hydro  
 Flint Creek - 2 MW hydro  
 Low er South Fork - 0.5 MW hydro

**Q12: Who owns the eligible renewable resource(s) you have used to meet the CREP requirement?**

Gordon Butte - Gordon Butte Wind, LLC  
 Turnbull - Turnbull Hydro, LLC  
 Flint Creek - Flint Creek Hydroelectric, LLC  
 Low er South Fork - Low er South Fork, LLC

# Renewable Energy in Montana - Survey for Utilities and Suppliers

**Q13: Has the standard contributed to the diversification of your portfolio in Montana?**

No,

Please explain how it has or has not.  
NWE had already been focused on renewable resources prior to RPS. A minimal amount of NWE's resource portfolio can be attributed to the standards.

**Q14: Has the standard led to you reducing your dependence on fossil fuels?**

No,

Please explain how it has or has not.  
No. Given NWE's dependence on market purchases, this cannot be precisely determined. However, NWE believes any change in fossil fuel use to be minimal.

**Q15: Has the standard assisted you in hedging against the volatility of fossil fuel markets?**

No,

Please provide some details on how it has or has not.  
No. On one hand, resources acquired to meet the RPS standards provide a partial hedge against volatility of fossil fuel markets by reducing market purchases, which include a thermal (gas/coal) component. On the other hand, the inclusion of RPS resources caused NWE to invest in additional gas-fired resources to integrate/regulate those resources. These offsetting effects cannot be precisely determined.

**Q16: Has the standard contributed to higher, lower, or neutral costs for your customers?**

Neutral,

Please explain your answer  
Neutral: Customer cost impact cannot be precisely calculated (refer to NWE's responses to 14 and 15). However, NWE's highest cost RPS resources are currently much more costly, on a \$/MWh basis, than the market purchases that they displace.

**Q17: How much has the standard changed, if at all, your average residential customer's monthly utility bill? (indicate increase or decrease)**

*Respondent skipped this question*

**Q18: How is the standard beneficial to your customers?**

NorthWestern was focused on renewable resources prior to RPS (refer to NWE's response to 13, 15 and 16). Therefore, any benefit from RPS is minimal.

**Q19: How is the standard a drawback for your customers?**

NorthWestern was focused on renewable resources prior to RPS (refer to NWE's response to 13, 15, and 16). Therefore, the drawback from RPS is minimal.

**Q20: What additional resources have been needed to integrate renewable resources?**

Dave Gates Generation Station (DGGGS) and wind forecasting services.

**Q21: Would these renewable and integration resources have been added to your portfolio if there was not a standard in Montana?**

Yes

**Q22: Would you have constructed or acquired these resources at a different size if there was no standard?**

Yes

**Q23: Please explain your response to 21 and 22 above.**

A majority of the RPS resources in NWE's energy supply portfolio would have been acquired absent the RPS standards, see NWE's answer to question 13.

**Q24: How much of the cost of integration resources used in conjunction with the renewable resources used to meet the standard is attributable to the standard?**

Roughly 50% of the cost of DGGGS.

# Renewable Energy in Montana - Survey for Utilities and Suppliers

**Q25: In the 2012 compliance year what was the average unit price, including integration costs, for each renewable resource used to meet the standard (dollars/MWh)?** Gordon Butte(\$69.53/MWh), Lower South Fork(\$66.25/MWh), Judith Gap Energy(\$34.27/MWh), Turnbull Hydro(\$65.96/MWh); Average Cost - \$59.00

**Q26: What was the comparable price in 2012 of your supply (not transmission service) resources, including:**

Spot/hourly market resources?	\$40.47
Coal resources?	\$66.83
Natural gas resources?	Basin Creek Plant is a capacity and tolling agreement
Hydropower resources?	\$52.78
Qualifying facility resources?	\$75.52
Please identify the resources you are using as the basis of the answers above.	Market - Multiple sources; Coal - Costrip Unit 4; Hydro - Tiber Dam & Turnbull Hydro; QF - multiple sources

**Q27: In the 2010 compliance year what was the average unit price, including integration costs, for each renewable resource used to meet the standard (dollars/MWh)?** Judith Gap - \$39.71

**Q28: What was the comparable price in 2010 of your supply (not transmission service) resources, including:**

Spot/hourly market resources?	\$44.42
Coal resources?	\$44.73
Natural gas resources?	Basin Creek Plant is a capacity and tolling agreement
Hydropower resources?	\$41.42
Qualifying facility resources?	\$68.64
Please identify the resources you are using as the basis of the answers above.	Market - Multiple sources; Coal - Colstrip 4; Hydro - Tiber Dam; QF - Multiple source

**Q29: In the 2008 compliance year what was the average unit price, including integration costs, for each renewable resource used to meet the standard (dollars/MWh)?** Judith Gap - \$37.33/MWh

**Q30: What was the comparable price in 2008 of your supply (not transmission service) resources, including:**

Spot/hourly market resources?	\$54.54
Coal resources?	\$38.26
Natural gas resources?	Basin Creek Plant is a capacity and tolling agreement
Hydropower resources?	\$41.92
Qualifying facility resources?	\$67.30
Please identify the resources you are using as the basis of the answers above.	Market - Multiple sources; Coal - Unit contingent purchase; Hydro - Tiber Dam; QF - Multiple sources

**Q31: Please provide any additional thoughts on Montana's Renewable Portfolio Standard**

NWE is developing a portfolio of owned resources sufficient to meet its customers' loads reliably and economically. An increase in the RPS requirement could potentially affect NWE's planned load and resource balance. Additionally, an increase in the RPS standard could create integration/regulation needs in excess of NWE's current ability to provide those services.

**Q32: FINAL SUBMISSION: All questions are complete and this survey is ready for submission (select no if you wish to return and complete this survey later).** Yes