



# 2019 Montana Electric Supply Resource Procurement Plan

NorthWestern  
Energy  
*Delivering a Bright Future*





# The 2019 Plan

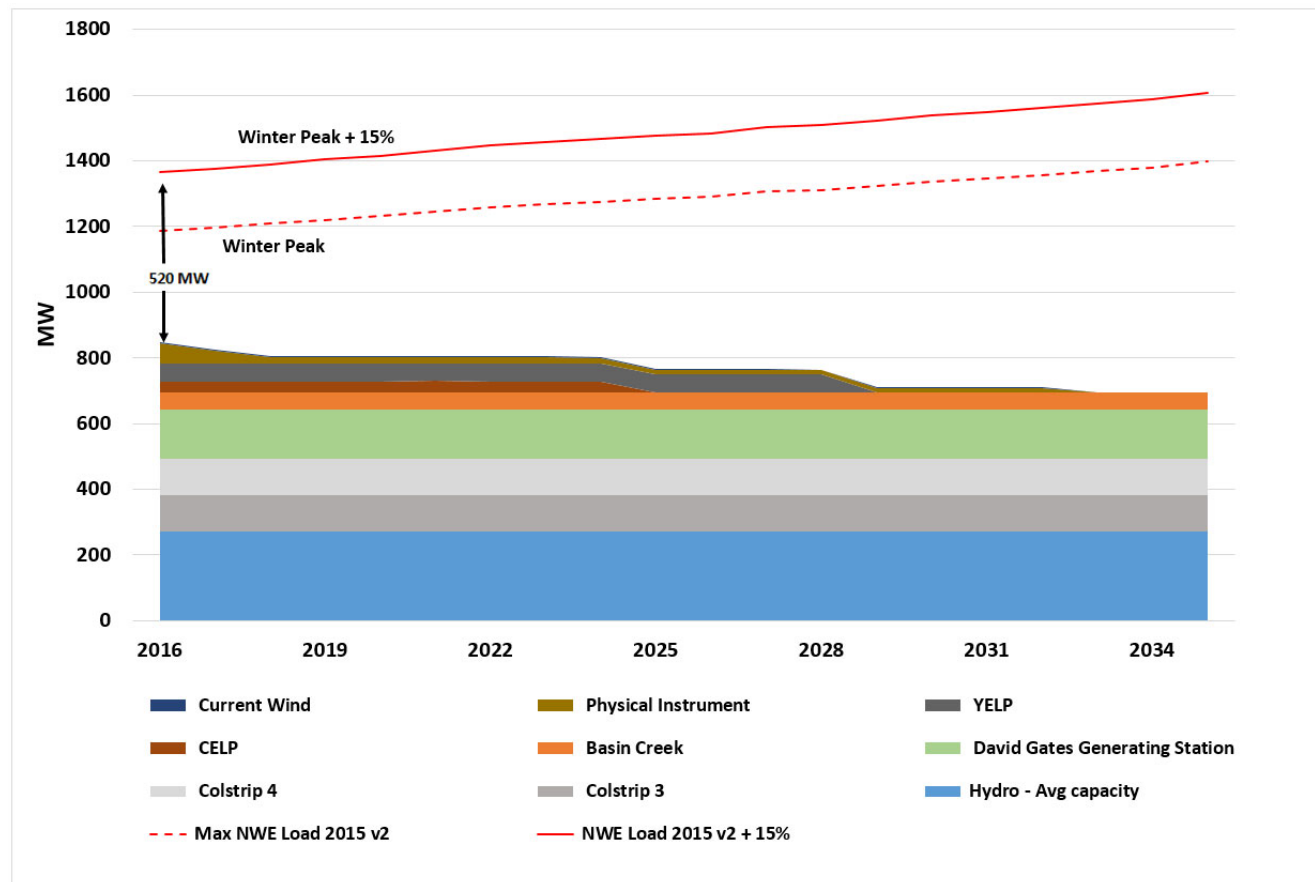
## The 2019 Electricity Supply Resource Procurement Plan...

- ...is a comprehensive analysis of possible ways to meet our customers' current and future needs.
- ...considers a wide range of future conditions, resource types and resource combinations.
- ...is based on current estimates, forecasts, and assumptions (technologies, future prices, etc.).
- ...uses proxy resource characteristics and costs.
- ...is a snapshot in time (1<sup>st</sup> quarter 2019) and is updated on a regular basis (2/3 years).
- ...uses proxy resource characteristics and costs.

**Key Take-Away: NorthWestern is short on capacity and so is the region.**

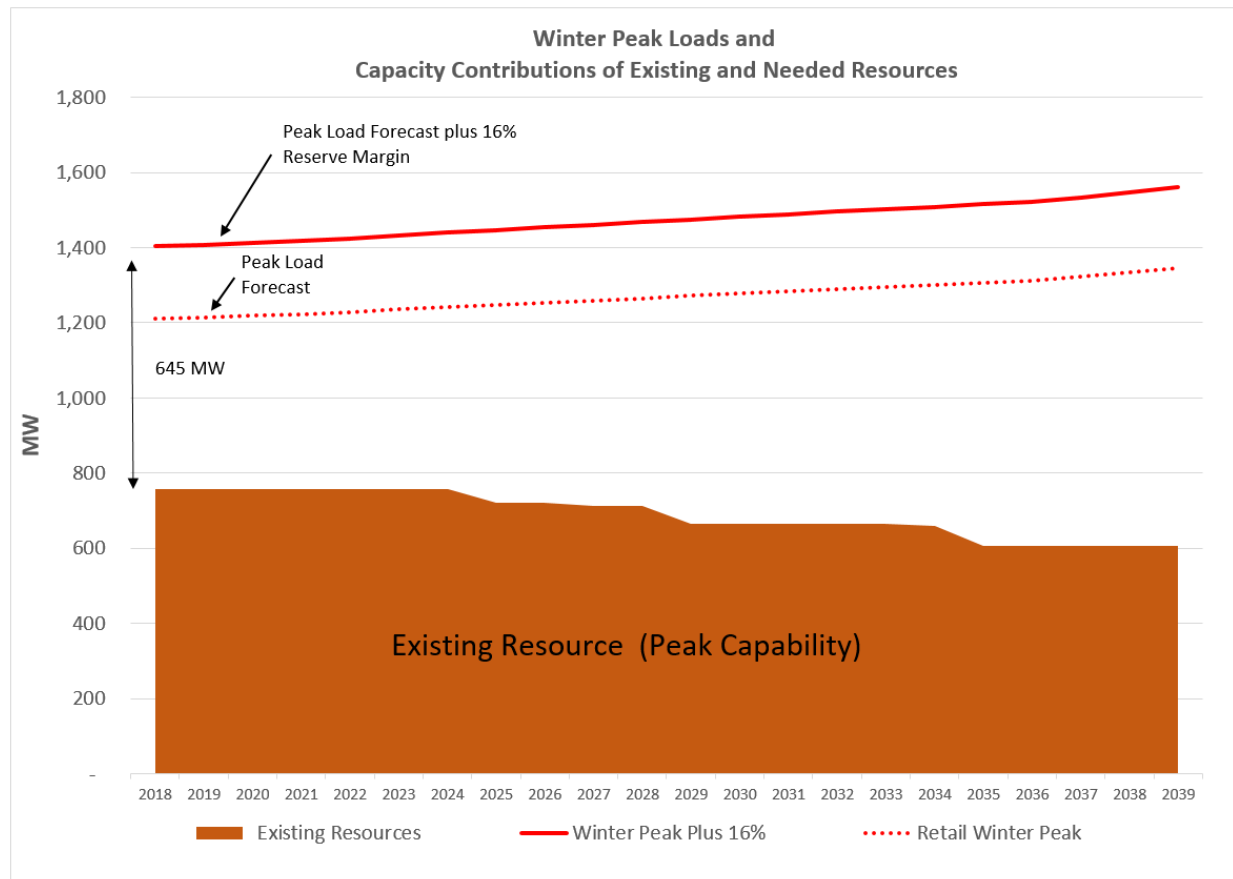


# NorthWestern Energy 2015 Resource Plan – Capacity Need





# NorthWestern Energy's Current Capacity Deficit





# The market is changing - NWPCC

Table 6 - 5: Announced Planned Coal Retirements in the Pacific Northwest\*

Plant	Retirement Date	Capacity & Operating Year	Location	Ownership
J.E. Corette	2015	173 MW (1968)	MT	PPL Montana
Hardin	2018	116 MW (2006)	MT	Rocky Mountain Power <sup>1</sup>
North Valmy 1	2019 <sup>2</sup>	254 MW (1981)	NV	Idaho Power, Sierra Pacific Power (50/50)
North Valmy 2	2025	268 MW (1985)		
Boardman	2020	600 MW (1980)	OR	Portland General Electric, Idaho Power (90/10)
Centralia 1	2020	670 MW (1971)	WA	TransAlta
Centralia 2	2025	670 MW (1971)		
Colstrip 1	2022	360 MW (1975)	MT	Puget Sound Energy, Talen Energy (50/50)
Colstrip 2		360 MW (1976)		
Jim Bridger 1	2028	578 MW (1974)	WY	PacifiCorp (2/3) <sup>4</sup> , Idaho Power (1/3)
Jim Bridger 2 <sup>3</sup>	2032	578 MW (1975)		
<b>Regional Utility Total</b>		<b>1,899 MW</b>		
<b>Regional Total (incl. IPPs)</b>		<b>3,772 MW</b>		
<sup>1</sup> Not related to PacifiCorp				
<sup>2</sup> Uncertainty remains regarding North Valmy unit 1 retirement date of 2019 or 2025				
<sup>3</sup> Per PacifiCorp's 2017 IRP Update				
<sup>4</sup> Regional total includes only PacifiCorp's load to the region (38%)				

\* For detailed project information, please see the Council's [generating resources project database](#)



## Regional View on Capacity: John Fazio (Video)



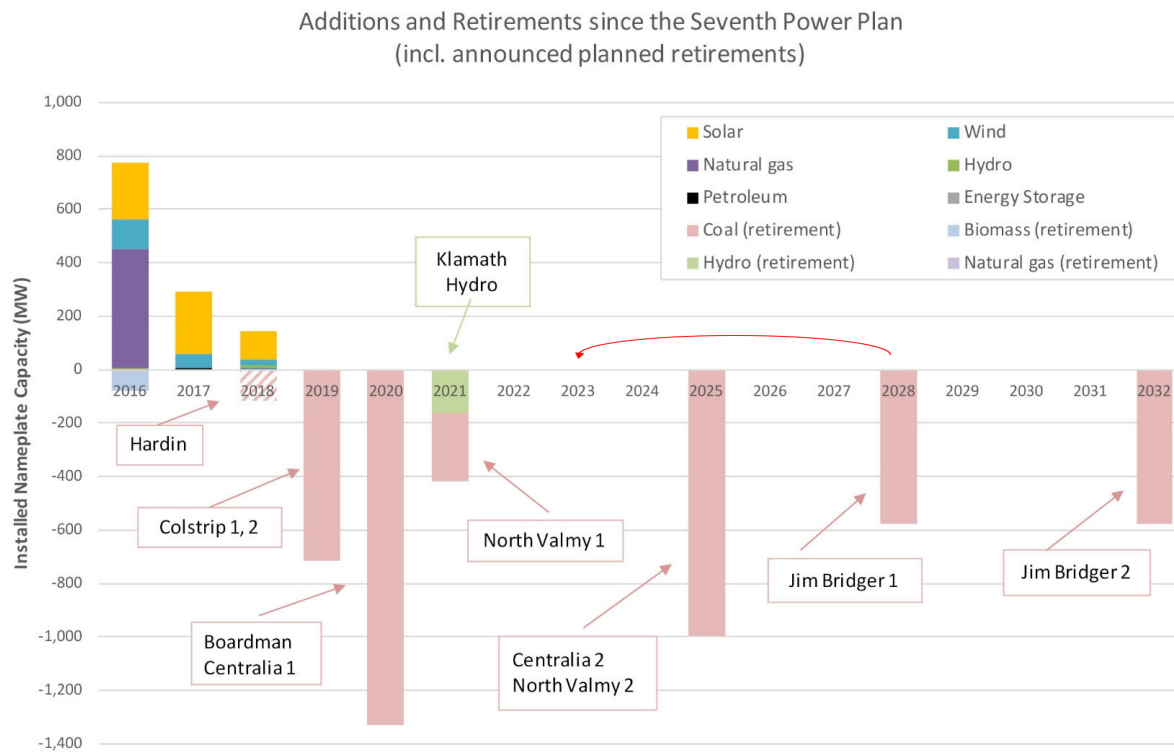
nwpp.org

John Fazio is the Senior Power Systems Analyst for the Northwest Power and Conservation Council, located in Portland OR. The Council is an interstate compact agency made of the four northwestern states encompassing the Columbia River drainage (WA/OR/ID/MT). MT's governor appoints two members to the Council (currently Jennifer Anders and Bo Downen – they are Cabinet level appointments). John leads an annual adequacy assessment (a 5-yr look forward for the region) for the Council, and is considered to be a world-class expert on the subject of resource adequacy.

Link to John Fazio video: <https://vimeo.com/354085917>

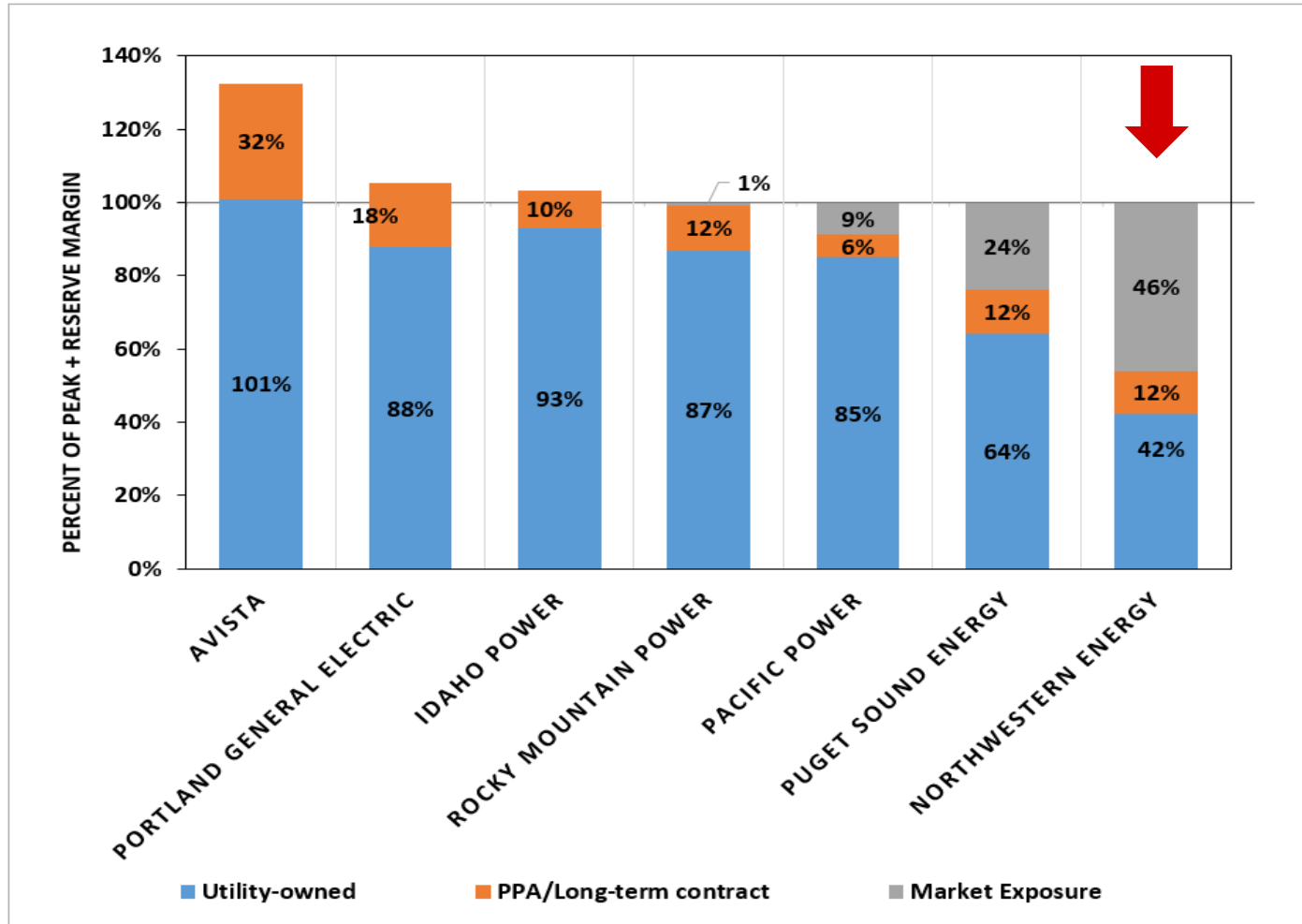


# The market is changing - NWPCC





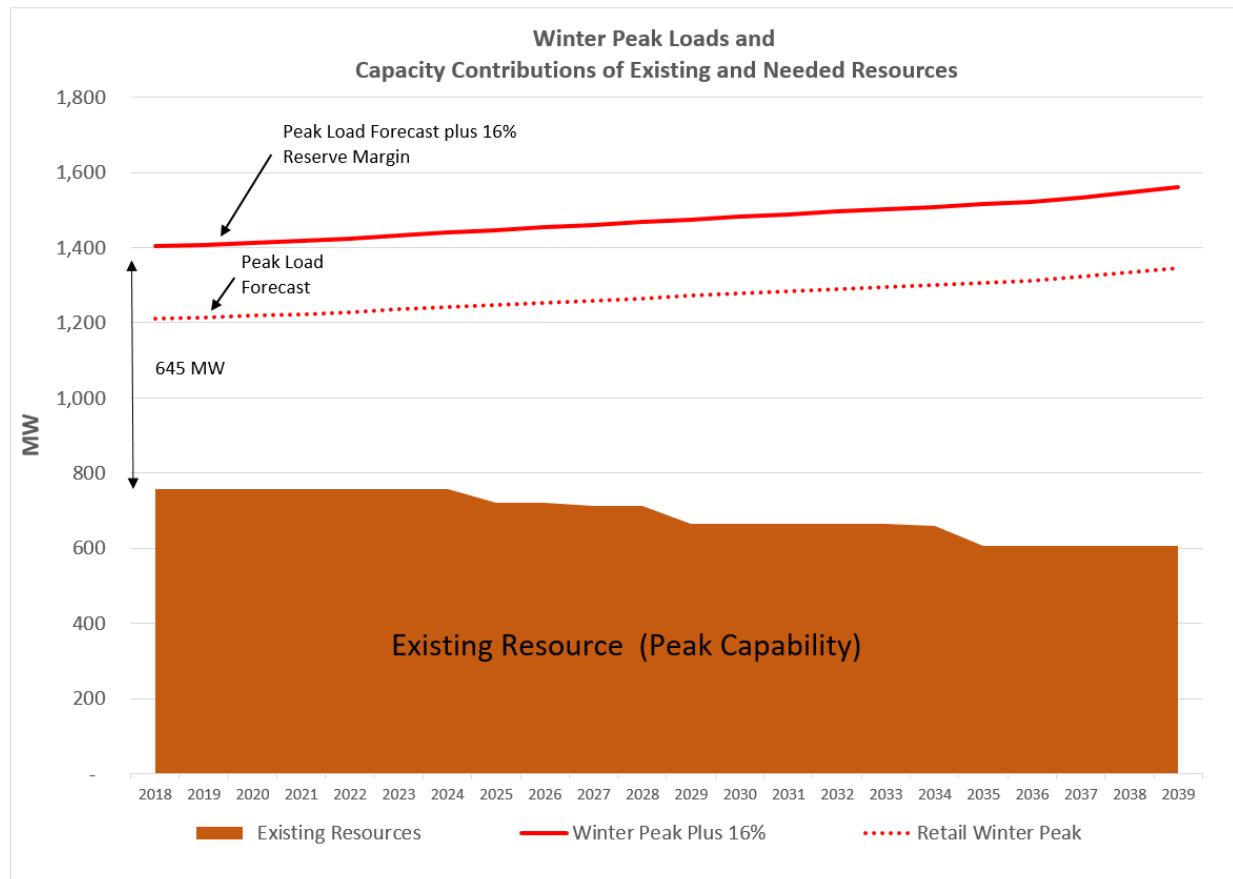
# We rely heavily on the regional market.





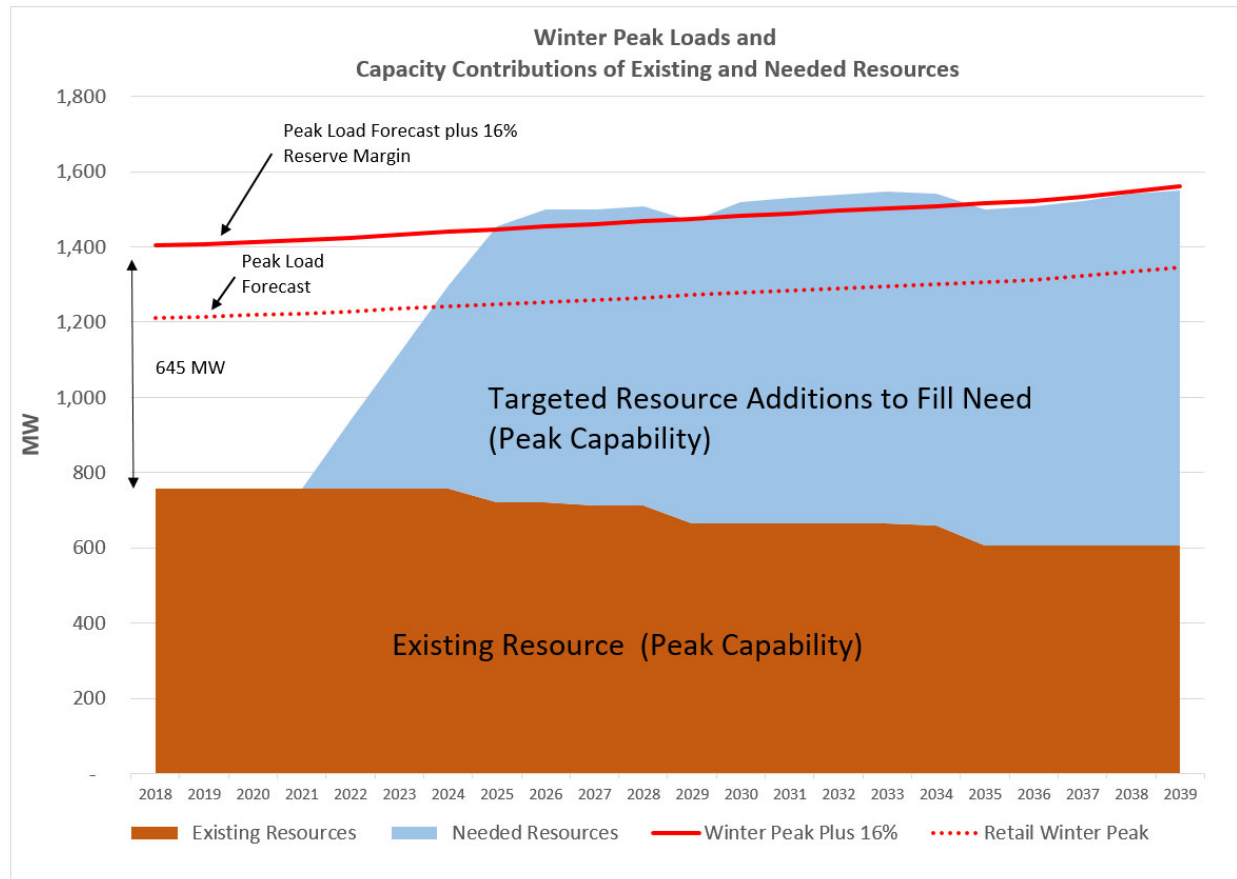


# NorthWestern Energy's Current Capacity Deficit





# NorthWestern Energy's Current Capacity Deficit





## What's Next?

- **Competitive Solicitation (RFP)**

- Actual resource decisions will be based on specific proposals, site characteristics, and actual costs and designs submitted by bidders.
- The process will include monitoring by the Public Service Commission, Montana Consumer Counsel, and independent third-party observers and evaluators.





Thank You

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