

NWE SHAREHOLDER PROPOSAL (FINAL) 4

WHEREAS the evidence of human-caused climate change is overwhelming, the impacts of climate change are intensifying across the country, and climate change will cause increasing harm to Montana's agriculture, tourism, and infrastructure by severe wildfires, drought, flooding, and decreased flows for hydroelectric generation, unless prompt action is taken;

WHEREAS carbon dioxide emissions are the largest contributor to climate change, and coal mining and coal fired plants emit carbon dioxide and other greenhouse gases;

WHEREAS 39% of Northwestern Energy's (NWE) Montana electricity generation comes from plants that emit carbon dioxide and other greenhouse gases from coal and natural gas combustion;

WHEREAS NWE calculates its carbon emission rates through 2038 to be very close to those in 2020, about 800 pounds of carbon dioxide per megawatt hour, most of which will come from the Colstrip Unit 4 coal fired plant located in Montana;

WHEREAS the plant's age, departure of other owners, remediation costs, uncertain regulatory environment, and the dim future of the coal industry make NWE's 30% investment in Unit 4 and reliance on coal fired electricity an increasingly risky investment, posing a danger Colstrip may become a stranded asset;

WHEREAS Talen Energy, Colstrip's operator, will permanently shut down Units 1 and 2 in 2019 because they are uneconomical and, apart from Talen's 30% interest in Unit 3, the other partial owners of Colstrip Units 3 and 4, (Puget Sound Energy, Inc., Portland General Electric Co., Avista Corporation and PacifiCorp) are required by their home state laws to eliminate coal fired electricity by 2025 and 2030 respectively;

WHEREAS the present remediation cost for groundwater contamination by Colstrip coal ash approaches \$700 million, of which NWE must pay its part, and NWE's future remediation costs will increase out of present proportion as other owners of Colstrip depart;

WHEREAS Units 3 and 4, now 35 years old, continue to emit unlawful levels of hazardous air pollutants, requiring temporary shutdown in 2018, and an enforcement action by Montana DEQ is pending;

WHEREAS the Montana Legislature rejected NWE's effort to expand ownership of Colstrip and pass increased decommissioning and remediation costs to consumers, and the future federal regulatory scheme is uncertain, with candidates extolling a "Green New Deal;"

WHEREAS the coal supply for Colstrip is uncertain given the collapse of the coal mining industry;

WHEREAS non-carbon emitting renewable energy sources such as improved hydroelectric generation, wind, and solar are less expensive and increasingly available in Montana;

THEREFORE, BE IT RESOLVED the shareholders request the Northwestern Corporation plan for the Northwestern Energy Company to cease coal fired generation of electricity from the Colstrip plant and replace that electricity with non-carbon emitting renewable energy and 21st century storage technologies with its own assets or from the market no later than the end of the year 2025, and to share that plan with the shareholders no later than the 2021 annual meeting.

The documents supporting this proposal can be found at 350montana.org.

