

November 12, 2019

Montana Public Service Commissioners
P.O. Box 202601
Helena, MT 59620

Commissioners,

I wish to submit comments regarding Docket 2019.08.052 for the NorthWestern Energy 2019 Electricity Supply Resource Procurement Plan.

It is the job of the Public Service Commission (PSC) to provide Montanans with affordable and reliable energy at a just rate. To do so, you must protect ratepayers from this monopoly utility and its costly incompetence. Just recently we have seen two huge and unanticipated rate hike proposals by NorthWestern Energy. You endorsed a \$6.5 million rate increase on October 30, and NorthWestern Energy is also seeking a \$23.8 million rate increase because of mistakes it made in 2019. Why? Because the company didn't plan well. Several lengthy, unanticipated Colstrip plants shutdowns occurred when the plants couldn't meet modern pollution standards, and now the company wants ratepayers like me, not its stockholders, to pay tens of millions of dollars for the replacement power it purchased during the shutdowns.

This lack of planning and the resulting costs ratepayers will incur should make the PSC very skeptical of the company's new plan. Your oversight of the 2019 NorthWestern Resource Plan is critical. It is not in the public interest for the PSC to allow the company to go forward with the future acquisitions based on false assumptions, which will lead to more unpredicted and costly rate requests.

Other deficiencies in the plan include but are not limited to:

1. Colstrip is closing sooner than 2042. At a September 2019 meeting of the Montana Board of Regents at Montana Tech in Butte, NorthWestern Energy's vice-president for transmission, Michael Cashell, said he thought the Colstrip plants would shut down completely "in less than a decade." Yet the company's final procurement plan says that the plant will remain open until 2042. Why the discrepancy? Why did the company publish a plan that its vice-president knows is a sham? Cashell's statement is consistent with the time horizon envisioned by Colstrip's other owners. This throws into doubt the company's entire procurement plan. You must not let this company acquire any new assets based on assumptions even its executives don't believe. Make the company model what its vice-president for transmission says is going to happen. Make the company plan for Colstrip closing within 10 years.
2. NorthWestern Energy's modeling is suspect. The plan doesn't adequately model renewable technologies like solar and wind generators paired with batteries or the Gordon Butte pump storage facility. It models solar by itself, wind by itself, and storage by itself. What sense does that make? When a utility does take the time to model these integrated technologies, it reaches the conclusion that renewables and storage are cheaper than gas generators. When a consulting company called Vibrant Clean Energy modeled renewable technologies in Colorado, it found renewables paired with storage *was the least expensive* option for moving into the future, cheaper than existing coal, cheaper than a fleet of natural gas "peaker" plants. And, "[t]he first and perhaps most important thing to note," says energy writer David Roberts in *Vox Magazine*, "is that in all

scenarios, Coloradans receive a stable, reliable supply of electricity” when they move to renewables backed by batteries. You probably can’t get more unreliable than what happened with Colstrip this summer, and NorthWestern Energy’s \$23.8 million rate increase. You must not let this company get away with telling you renewables aren’t stable and reliable. Don’t allow the company spend a billion dollars of ratepayers’ money for new acquisitions without a competent cost comparison between existing coal, a build-out of natural gas, and a move to renewable energy backed by storage technologies.

3. NorthWestern Energy fails to include the cost of gas pipelines in its cost assumption for building and operating gas-fired power plants. NorthWestern has previously stated new gas pipelines would be necessary to operate any significant new gas power plants on its system, however these costs were not included in the plan. Why is the company hiding these costs? Again, the company is talking out of both sides of its mouth. It says it will need pipelines, but it doesn’t model the costs. You must not allow this company to acquire ratepayer-paid gas generators without the costs of the pipelines validated and included in the plan.

Ratepayers are counting on you to provide appropriate oversight to the monopoly utility that they are forced to purchase electricity from.

Thank you,

Jeffrey J. Smith
105 Channel Drive
Missoula, MT 59804
(406) 880-8320