

Service Date: December 30, 2011

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Petition of) REGULATORY DIVISION
NorthWestern Corporation d/b/a)
NorthWestern Energy for Certification of) DOCKET NO. D2011.11.93
an Eligible Renewable Resource and) ORDER NO. 7192
Community Renewable Energy Project)

ORDER

FINDINGS OF FACT

1. On November 21, 2011, NorthWestern Corporation d/b/a NorthWestern Energy (NorthWestern) filed a Petition for Certification of the Gordon Butte Wind I Project (Gordon Butte) as a Community Renewable Energy Project (CREP) pursuant to Montana's Renewable Portfolio Standard (RPS).

2. Gordon Butte is a 9.6 megawatt wind facility currently under construction in Meagher County, Montana. Aff. Bryan Rogan, D2011.11.93, ¶¶ 2, 7 (Nov. 21, 2011).

3. Gordon Butte will be interconnected on NorthWestern's side of the meter. *Id.* at ¶ 3.

4. No other eligible renewable resources currently exist within five miles of Gordon Butte. *Id.* at ¶ 8.

5. Gordon Butte is owned by Gordon Butte Wind, LLC (GB Wind). *Id.* at ¶ 4.

6. GB Wind is a business entity owned in equal thirds by three other business entities: Oversight Resources, LLC (Oversight), 71 Ranch, LP (71 Ranch), and DA Wind Investors, LLC (DA Wind). *Id.* at ¶ 6.

7. The members of Oversight are Errol Galt, Sherrie Galt and Bryan Rogan. *Id.*

8. The limited partners of 71 Ranch, who collectively own 99% of the partnership, are Errol Galt, Sherrie Galt, Wylie Galt, Brock Galt and Jocelyn Galt. *Id.*

9. Errol Galt, Sherrie Galt, Bryan Rogan, Wylie Galt, Brock Galt, Jocelyn Galt and all of the members of DA Wind are Montana residents. *Id.*

CONCLUSIONS OF LAW

10. The RPS requires NorthWestern to "purchase both the renewable energy credits and the electricity output" from CREPs beginning in 2012. Mont. Code Ann. § 69-3-2004(3)(b) (2011).

11. "Before entering into a long-term contract to purchase renewable energy credits, . . . a public utility must petition the Commission to certify that the renewable energy credits were produced by an eligible renewable resource." Admin. R. Mont. § 38.5.8301(3) (2011); *see also* Mont. Code Ann. § 69-3-2006(2)(b).

12. A CREP is "an eligible renewable resource that is interconnected on the utility side of the meter in which local owners have a controlling interest and that is less than or equal to 25 megawatts in total calculated nameplate capacity." Mont. Code Ann. § 69-3-2003(4)(a).

13. A new facility that produces electricity from wind in Montana is an "eligible renewable resource." *Id.* at § 69-3-2003(10).

14. Gordon Butte is an "eligible renewable resource" interconnected on the utility side of the meter. *Supra* ¶¶ 2-3.

15. "Total calculated nameplate capacity" means not only the nameplate capacity of the CREP, but also the total nameplate capacity of any "other eligible renewable resources that are located within 5 miles of the project, constructed within the same 12-month period, and under common ownership." *Id.* at § 69-3-2003(18).

16. Including other eligible renewable resources within five miles, Gordon Butte is less than 25 megawatts in "total calculated nameplate capacity." *Supra* ¶¶ 2, 4.

17. Montana residents are "local owners." *Id.* at § 69-3-2003(11)(a).

18. Montana residents have "a controlling interest" in Gordon Butte. *Supra* ¶¶ 5-9.

ORDER

IT IS HEREBY ORDERED THAT:

19. NorthWestern's Petition for Certification of Gordon Butte as an eligible renewable resource and as a CREP is GRANTED.

DONE IN OPEN SESSION at Helena, Montana, on the 20th day of December 2011 by a vote of 3 to 2. Commissioners Gallagher and Molnar dissenting.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

TRAVIS KAVULLA, Chairman

GAIL GUTSCHE, Vice Chair

W. A. GALLAGHER, Commissioner (Dissenting)

BRAD MOLNAR, Commissioner (Dissenting)

JOHN VINCENT, Commissioner

ATTEST:

Aleisha Solem
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.