MBAC
Montana Business Assistance Connection

June 6th, 2016

State of Montana - Public Service Commission
Attn: Sandy Scherer
1701 Prospect Ave
P.O. Box 202601
Helena, MT 59601

Re: Qualifying Facility avoided cost rate

I am writing to the Commission with an economic development mindset in response to the roundtable discussion on June 1st 2016 dealing with avoided cost rates and its connection to Qualifying Facilities.

Montana Business Assistance Connection (MBAC) is the Federal and State certified economic development organization in the Helena region including Broadwater, Lewis and Clark and Meagher Counties. We currently manage the Montana DEQ Alternative Energy revolving loan fund and have firsthand knowledge of the implications of an "all of the above" energy mix in Montana.

As an agency, we have been in discussions with multiple solar companies in the past 2 years. In addition, we have been active in industry recruitment to the State of Montana. In the recent year, we have been dealing with several "site selectors" that are looking to locate large industrial operations with Montana being one of those possible locations. The notion of a diverse energy mix has not been lost on these firms. These industries are very aware of our nexus of base load hydro, with access to wind, solar, natural gas and coal resources. This has been looked upon very favorably by the principles. Most firms that have a green component to their energy usage have an extensive awareness of the wind resources that are available in Montana, but are not very comfortable with the solar potential because no commercial solar farm has been located in the state as of yet.

Attraction of good paying jobs and creating a significant increase in taxable value are vital components to the future of the Montana economy. Industry is looking to find locations that can manage and mitigate volatile markets, and changing environmental issues. Access to water and a diverse energy mix are competitive advantages that Montana currently has over many states.

Please keep in mind that some quantity of established solar farms in Montana is helpful when we market our state to new industry. From the roundtable, it was my opinion that an "Elegant Solution" or compromise could be crafted that would be good for both the rate payers and for economic development. Theoretical access to solar assets sounds sufficient, but industry likes to look at actual data and kick the dirt for themselves. To provide an "all of the above" energy mix takes actually investment on the ground. Any solar farm less than 3 MW is insignificant and will be perceived as nothing more than Greenwashing by industry.

Please consider some logical compromise that brings millions of dollars in new diversified investment into our state, with an eye out for rate payers over the long term. Thank you for providing the roundtable discussion and for thinking about the implication of planting some commercial solar in our state.

Sincerely,

Brian K. Obert

Brian Obert
Executive Director
Montana Business Assistance Connection

MONTANA BUSINESS ASSISTANCE CONNECTION (MBAC)
GATEWAY ECONOMIC DEVELOPMENT DISTRICT (GEDD)
225 Cruse Avenue, Suite D Helena, MT 59601
OFFICE: (406) 447-1510 FAX (406) 447-1514
www.mbac.biz
MBAC and GEDD are equal opportunity providers.