

For Immediate Release

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PSC votes to extend contract term for proposed MTSUN solar project

Helena, Mont. – The Montana Public Service Commission granted a solar developer’s motion to reconsider a prior decision on Thursday. The Commission voted to extend the length of a contract available to the proposed 80-megawatt MTSUN solar farm near Billings to a term of 15 years, up from 10. The Commission made its decision on a 4-1 vote, with Commissioner Roger Koopman, R-Bozeman, dissenting.

The Commission’s action follows a request by both the developer and NorthWestern Energy to reconsider several aspects of a final order authorizing the terms and conditions under which MTSUN would sell power to the utility. MTSUN requested that the Commission revisit the length of contract offered to the facility, as well as the rate that NorthWestern customers must pay for electricity from the project.

“The Commission grappled with how to balance a desire to protect ratepayers from long-term contract risk with the legal requirement that developers be given sufficient certainty to support investment in renewable energy,” said Commissioner Tony O’Donnell, R-Billings. “After a thorough review of the record evidence in this case, we found a contract term of 15 years to be a fair compromise that allows the project to potentially move forward without exposing customers to excessive risk.”

Meanwhile, the Commission declined to adopt several suggested increases to the rates consumers would pay for electricity produced by the project. MTSUN advocated for a higher rate based on forward market data from when MTSUN filed its initial petition in December 2016, but the Commission disagreed, opting for a more up to date forecast from March 2017.

The Commission also rejected the developer’s motion to reintroduce a carbon-cost component to rates paid for electricity produced by the facility. That decision is expected to save ratepayers an estimated \$17 million over the life of the contract. However, the Commission did preserve the option for NorthWestern and the developer to negotiate separately for the transfer of renewable energy credits.

“I applaud my colleagues for having the wisdom to maintain their rejection of what I have long called the phantom CO2 tax. There is simply no way that consumers should be forced to pay for costs that don’t now exist, and may never exist,” said Koopman, R-Bozeman.

To view the full docket, visit: <http://bit.ly/2sliBxw>

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