

**CITY OF MISSOULA**

**MISSOULA COUNTY**

**Green Power Program: Frequently Asked Questions**

**What is the Green Power Program?**

The Green Power Program (formerly known as a renewable rate option or green tariff) is a program that would allow NorthWestern Energy customers to support and benefit from a new source of renewable energy in Montana, such as a new wind or solar farm. Local governments, businesses and residents would then have the option to subscribe to pay a special rate and receive a portion of their energy supply from this renewable energy source. By subscribing to the program, customers would pay the costs of the new renewable energy source over time and receive the benefits it produces, including the environmental benefits and the clean energy’s economic value on the market.

**How does this become a reality?**

The lead communities of the City of Missoula, Missoula County and the City of Bozeman have been working with NorthWestern Energy for the past several years to develop the Green Power Program. Developing the program is a key strategy for these lead communities to reach their respective 100% clean electricity goals.

Now, these communities have reached an important milestone by requesting their elected officials adopt the term sheet negotiated with NorthWestern. While non-binding, the term sheet serves as the framework for how the program will work going forward. If the term sheet is adopted, the lead communities will consider entering into binding agreements to submit to the Public Service Commission.

The Public Service Commission will then need to approve the Green Power Program before it’s available to the public. Following approval, the next step would be for the lead communities and NorthWestern to develop an RFP and solicit proposals for the new renewable energy project. Once the project is selected, local government, commercial and industrial customers will subscribe to purchase electricity from it.

**Who will be able to subscribe to the program?**

There are two main ways to participate in the Green Power Program. Local governments, as well as commercial and industrial NorthWestern Energy electricity customers in Montana, will be able to subscribe to the Green Power Program. Local governments, commercial and industrial participants will commit to subscription contracts for the depreciable life of the renewable energy development, generally about 25 years.

There will be an opportunity for residential customers to participate, as long as they live within a local government jurisdiction that decides to participate in the program and are NorthWestern Energy electricity customers. Residential participation will be limited by the project’s size and may vary from community to community, as each participating local government will be able to allocate a portion of their subscription agreement to residents in their jurisdiction. Residential participation enables local governments to dedicate resources to additional renewable energy solutions.

**How much will it cost to subscribe to the program?**

The cost to participate in the program will depend on a few variables: the fixed costs to develop the renewable energy source and administer the program, a floating credit representing the market value of the project’s clean electricity, and the size of the customer’s subscription. Preliminary modeling suggests that this represents a good value for participants and their climate goals. While premature to assign a dollar amount at this point, we will be able to model financial impact and re-engage the community after the PSC approves the program. We will review costs again when we are closer to the project development phase, as they will evolve.

**When can I subscribe to the program?**

The Green Power Program will require several steps, including local approvals, Public Service Commission regulatory approvals and a competitive solicitation to develop the project, which is estimated to take two to three years. Within this process, there are two different times when a customer can subscribe, depending on the customer.

To participate, local governments, as well as commercial and industrial customers, will commit to subscription agreements for the depreciable life of the new renewable energy development serving the program. The depreciable life is generally around 25 years. Eligible residential customers will have the opportunity to subscribe after local governments have subscribed and indicated how much they have allocated to residents in their jurisdiction.

**How big will the renewable energy development be?**

The size of the project will be determined by how much energy local governments, and commercial or industrial customers in Montana, are willing to commit to purchasing over the depreciable life of the renewable energy development. The project size will be selected based on that interest. Regardless of size, the program would lead to a new source of renewable energy that would not have happened otherwise.

**How does the Green Power Program support the City and County’s climate goals?**

The Green Power Program is one of our primary ways to reach 100% clean electricity for the Missoula urban area. A new renewable energy development, like a solar or wind farm, will be built to serve this program. Where small-scale development, like rooftop solar, may have site or size constraints, this development could be large enough to provide clean electricity to NorthWestern Energy commercial customers and hundreds of residential customers, including renters. A project of this size can move us significantly closer to our goal of 100% clean electricity by 2030.

**Will this impact my property taxes?**

Preliminary modeling suggests that if the City and County subscribe to the program, this would have a minimal impact on their budgets. While premature to assign an exact dollar figure at this point, initial estimates suggest a modest impact on utility bills, which make up a small portion of the overall City and County budgets.

**Will my energy costs go up if I don’t participate?**

Participation in the project will be completely voluntary, and non-participants will not be subjected to any of its costs. This is also known as “no cost shifting.”

**How is this different than the E+ Green program?**

Right now, NorthWestern Energy’s E+ Green program allows customers to take credit for existing clean electricity that comes from solar, wind or hydro sources from anywhere in the Pacific Northwest. This does not change how much clean electricity is going onto NorthWestern Energy’s grid. The Green Power Program is designed so subscribers can support, and benefit from, a new source of renewable energy in Montana.

**What are the opportunities to provide public comment?**

* Written public comment will be accepted until City and County consideration on at the Monday, Dec.11 joint meeting at 6 p.m. Comments may be provided via the Missoula County Voice 100% Clean Electricity page in the “Forums” tab: <https://missoulacountyvoice.com/100-clean-electricity-initiative>
* Comment is also welcomed at the following public meetings:
* City Climate, Conservation, and Parks Committee meeting on Wednesday, Nov. 8.
* Joint City-County public meeting on Monday, Dec. 11 at 6 p.m.