



REQUEST FOR INFORMATION

RENEWABLE RESOURCES AND  
COMMUNITY RENEWABLE ENERGY PROJECTS

Request Issued August 17, 2009

Informational Summaries Due September 30, 2009

Lands Energy Consulting  
2719 California Avenue SW  
Suite 5  
Seattle, WA 98116

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## 1. INTRODUCTION

NorthWestern Energy seeks 25 to 75 MW of renewable project capability for its Montana energy resource portfolio. In order to achieve this goal, information is requested from developers, land owners, energy companies, Montana businesses and any other potential business partners that either already own/operate or could develop a renewable electric generating resource that could be used to serve the NorthWestern Energy's Montana Supply customers and meet its renewable portfolio standard (hereafter referred to as "Respondent" or "Respondents"). It is important that any project meet the standards for renewable electric power generation as those standards have been defined in Montana law, which is further defined below. NorthWestern also seeks information for Renewable Projects that additionally meet the Montana Definition of Community Renewable Energy Project, or "CREP". Please note that this request will accept responses from projects whether they meet the additional requirements as a CREP or not.

NorthWestern Energy prefers to own the projects through outright purchase of the project, but proposals for both equity purchases and long-term Power Purchase Agreements ("PPAs") will be considered.

This Request For Information, or "RFI", has been issued by NorthWestern Energy as a way to collect information on a variety of renewable generating projects in a relatively short time without imposing the fairly stringent preparation requirements related to a full blown Request For Proposals or "RFP". Based on the information procured through this RFI, NorthWestern Energy may choose to conclude the process in any of the following manners:

1. Enter directly into bilateral discussions for the purchase of the project from the proposer. Ownership transfer may occur before or after commercial operation as may be determined by the parties. NorthWestern may contemplate operations and maintenance agreements with 3<sup>rd</sup> parties for projects purchased outright.
2. Enter directly into bilateral discussions for the purchases of the project output under a long term purchase power agreement, allowing the proposer to retain ownership and operational responsibilities.
3. Issue a Request for Proposals as a method to further screen proposals.
4. Do nothing.
5. Any combination of 1-4 as determined by NorthWestern Energy.

It is anticipated that the RFI process will be completed more rapidly than an RFP process and allow NorthWestern to pursue renewable resources in a more efficient manner. The process is intended also to reduce the burden on Respondents. NorthWestern is only interested in projects that will deliver a bundled product comprised of energy and renewable energy attributes (ie renewable energy credits or RECs).

### **Renewable Projects**

MCA 69-3-2003 includes the following explanation of qualifying renewable energy projects: Eligible renewable resource means a facility either located within Montana or delivering electricity from another state into Montana that commences commercial operation after January 1, 2005, and that produces electricity from one or more of the following sources:

- a. wind;

- b. solar;
- c. geothermal;
- d. water power, in the case of a hydroelectric project that does not require a new appropriation, diversion, or impoundment of water and that has a nameplate rating of 15 megawatts or less;
- e. landfill or farm-based methane gas;
- f. gas produced during the treatment of wastewater;
- g. low-emission, nontoxic biomass based on dedicated energy crops, animal wastes, or solid organic fuels from wood, forest, or field residues, except that the term does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chroma-arsenic;
- h. hydrogen derived from any of the sources in this subsection (7) for use in fuel cells;
- i. and the renewable energy fraction from the sources identified in subsections (7)(a) through (7)(h) of electricity production from a multiple-fuel process with fossil fuels.

NorthWestern has a 135 MW PPA in place with the Judith Gap Wind Project and seeks diversification within the renewable portfolio. Diversification may take the form of adding other types of renewable resources or adding wind resources from a different wind regime than Judith Gap.

**Community Renewable Energy Projects - CREP**

MCA 69-3-2003(3) as amended defines Community renewable energy project as 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. MCA 69-3-2003(8) defines Local owners as:

- a. Montana residents or entities composed of Montana residents;
- b. Montana small businesses;
- c. Montana nonprofit organizations;
- d. Montana-based tribal councils;
- e. Montana political subdivisions or local governments;
- f. Montana-based cooperatives other than cooperative utilities; or
- g. any combination of the individuals or entities listed in subsections (8)(a) through (8)(f).

Total calculated nameplate capacity means the calculation of total nameplate capacity of the community renewable energy project and other eligible renewable resources that are:

- (a) located within 5 miles of the project;
- (b) constructed within the same 12-month period; and
- (c) under common ownership.

**Lands Energy Consulting**

The Utility has contracted with Lands Energy Consulting (LEC) to administer the RFI and serve as the point of contact with Respondents. LEC will receive information and compose summaries for review by Utility staff. Unlike past RFPs conducted by the Utility, this will not be a “blinded” process and Utility staff will have access to the Respondents’ information throughout the process. **Any inquiries or correspondence regarding this RFI should be directed to LEC:**

Tim Castille  
[castille@landsenergy.com](mailto:castille@landsenergy.com)  
360-885-4567

Steve Lewis  
[slewis@landsenergy.com](mailto:slewis@landsenergy.com)  
206-726-3695

or

## **2. FORMAT FOR THIS RFI**

In order to facilitate submission and review, the Utility will accept information packets via email using a preset streamlined format. On or before the day when responses are due, Respondents should email submissions consisting of a PDF document including an executive summary describing the resource as well as a description of the experience of the project team. The information sought in this summary is described in Section 2.1 below. In addition to the executive summary Respondents should return the Excel spreadsheet RFI Information Packet provided with this RFI including information requested for each resource type.

### **2.1 EXECUTIVE SUMMARY**

In addition to filling out the Excel spreadsheet provided with this RFI, Respondents should provide a brief summary of the project, including any and all key elements that are appropriate for evaluating the merits of the project. Project summaries should be high-level summaries appropriate for use in executive briefing sessions and limited if possible to no more than two pages. The project summary shall include but not be limited to such facts as the status of siting and lease arrangements (land control), permits, transmission interconnection agreements, environmental studies, turbine/engine equipment and project design overview, status of construction agreements, expected date of commercial operation, project schedule and an overview of your company and project financing plans or capability. Wind resource and expected energy production information (if available) should be provided. Please also describe the proposed credit support available to support the Respondent's obligations under a future contract. If a PPA is proposed, describe the terms for exercising options to transfer ownership of the generating resource to the Utility. Include a description of your project team, its experience, qualifications and track record of developing and operating similar projects.

### **2.2 RFI INFORMATION PACKET**

The Excel spreadsheet should be self-explanatory with an instructions tab, a cover sheet tab and tabs for information on each resource type sought in this RFI. If a Respondent has questions please direct them to Tim Castille or Steve Lewis. Contact information is provided in Section 1.

### **2.3 TERM**

The Utility prefers to purchase and own Renewable Projects, but will consider PPAs available for no less than ten (10) years with twenty (20) years being preferable.

### **2.4 PROJECT SIZE**

NorthWestern seeks up to 75 MW renewable generating capacity available to purchase or for contracting. Of this amount, up to 45 MW will need to comply with the NorthWestern's obligations to meet community renewable resource requirements meaning that individual resources will need to be 25 MW nameplate capacity or less.

## 2.5 RFI SCHEDULE

ITEM	DATE	TIME
Release of RFI	August 17, 2009	N/A
Deadline to submit responses	September 30, 2009	4:00 pm PPT
Completion of Review and notification to Respondents	October 30, 2009	

Electronically submitted responses should be sent to Tim Castille at [castille@landseenergy.com](mailto:castille@landseenergy.com) and a copy sent to Steve Lewis at [slewis@landseenergy.com](mailto:slewis@landseenergy.com). Responses may also be delivered to the address below. If hard copy responses are submitted, please provide four copies.

NorthWestern Energy RFI  
 c/o Lands Energy Consulting  
 2719 California Avenue SW  
 Suite 5  
 Seattle, WA 98116

## 3. ADDITIONAL PROVISIONS

### 3.1 RIGHT TO TAKE NO ACTION

The Utility reserves the right to enter into bilateral negotiations with Respondents, shortlist Respondents or take no action at its sole discretion.

### 3.2 CONFIDENTIALITY

Respondents shall clearly identify portions of their proposals that they do not want revealed to third parties. The Utility will not accept proposals or other documents that are marked to indicate the entire document is the confidential or proprietary information of the sender or that restricted handling is required. Normal business practices will be observed in handling proposal materials. If the respondent considers the Cost Proposal or resource data to be confidential or proprietary, those portions of the proposal must be clearly marked “Confidential” on every page.

Except as required under law or for regulatory purposes, the Utility will maintain confidentiality of such information. The Utility may also provide copies of the proposals and any related materials to its consultants and contractors, although such consultants and contractors will be required by the Utility to maintain the confidentiality of such information. If the Utility is compelled to provide such confidential information, respondent shall be responsible for defending the confidential status of the information.

### 3.3 REGULATORY APPROVALS

NorthWestern Energy may be required to submit any transaction resulting from this process to the Montana PSC for approval. Any transactions, therefore, may include provisions such that the transaction will not be completed until the regulatory approvals are received. Failure to receive approval would result in termination of the agreement. All respondents will be expected to assist NorthWestern Energy in the preparations of regulatory filings. Moreover, to the extent Respondent wishes to seek a protective order for information to be submitted to the MPSC, Respondent shall be responsible, at its sole cost and expense, for preparing and submitting any such protective order to the MPSC. Any such request for a protective order, regardless of whether such request for protective order is granted,

does not in any way limit NorthWestern’s ability to submit information obtained through this RFI process to the MPSC as part of complying with any portion of an MPSC or other regulatory proceeding.

### **3.4 OWNERSHIP AND RETURN OF RESPONSES**

All materials submitted as part of this RFI shall become the property of NorthWestern Energy and shall not be returned.

### **3.5 COST OF RESPONDING**

Each response prepared in response to this RFI will be prepared at the sole cost and expense of the Respondent and with the express understanding that there will be no claims whatsoever for reimbursement from the Utility.