



is reserved under NorthWestern's FERC OATT, which includes point-to-point customer wheeling into and out of NorthWestern's system, and Network customers, including some reservations by NorthWestern, importing energy from outside of Montana and into NorthWestern's transmission system to serve load.

Figure 3: Long-term Firm Reservations by Customer Type

Long Term Firm Reservations from Import Interface Paths (as of 01/27/2023)				
	Path 8 Imports	Path 83 Imports	Path 80 Imports	
Network	690	225	37	
Point to Point	342	0	31	
Total	1032	225	68	1325

While NorthWestern faces challenges resulting from limited transmission capacity, it might seem the obvious solution would be to build new transmission lines. However, that is only a solution in theory; in reality, it is not currently a practical option. As an initial matter, increased transmission is only useful in addressing capacity constraints if it connects to a generation resource willing and able to sell capacity to NorthWestern, and as explained in Section 3, there is significant uncertainty on that point going forward given recent and planned power plant closures.

Even if an additional generation resource is located, attempting to build the transmission lines to that resource is a difficult, time-consuming, and expensive endeavor that might not succeed. NorthWestern would have to gain approval from the Montana Department of Environmental Quality ("DEQ") to permit, site, and construct new transmission infrastructure by obtaining a certificate of compliance under the Montana Major Facility Siting Act ("MFSa") and gain rights-of-way over the proposed transmission path. Securing easements across land owned privately or by state or federal agencies can be extremely challenging. Permitting approval would likely be required from other state or federal agencies as well. The transmission infrastructure would also have to be designed to satisfy regulatory requirements enforced by FERC, NERC, and WECC. The combination of all these factors means that actually obtaining authority to construct a transmission line would take several years, if it is achievable at all.

Increasing transmission capacity, if it could be accomplished, would require upgrades to not only NorthWestern's system, but potentially other transmission systems outside of Montana. Of course, work in other states would require satisfying the regulatory requirements in those jurisdictions. The need to cooperate with more than one utility and perform work in multiple jurisdictions makes transmission upgrades even more difficult as a solution.