

- e. the proposed process the utility intends to use to solicit bids for energy and capacity resources to be acquired through a competitive solicitation process in accordance with 69-3-1207; and
- f. descriptions of at least two alternate scenarios that can be used to represent the costs and benefits from increasing amounts of renewable energy resources and demand-side management programs, based on rules developed by the commission.

33. Planning for reliable service requires NorthWestern to ensure that it has enough electricity generation resources to meet its customer demands every hour of the year, even with changing weather, generation output and demands. As a matter of physics, for the electric grid to operate reliably, the amount of energy generated (“generation”) and the consumption of that energy (“load”) must be equal or in balance. Generation and load must be in balance year-to-year, month-to-month, day-to-day, hour-by-hour, and minute-by minute for the electric grid to remain stable. Because of the long lead times needed to build or acquire new electrical generation or transmission assets or negotiate power purchase contracts, NorthWestern, like other electric utilities, makes plans for our supply of electricity years in advance. This long-term IRP is also required by law. In Montana, NorthWestern prepares formal, written plans that are filed with the MPSC. *See* NorthWestern MATS2 Comments, Exhibit D (NorthWestern May 2023 Integrated Resource Plan).

34. NorthWestern began to serve customers in Montana when it purchased transmission and distribution assets of the former Montana Power Company in 2002. Initially, NorthWestern did not own any generation assets to serve Montana customers. This situation was not ideal and was risky to customers as it required NorthWestern to purchase from the market all