

49. In addition to those significant retirements that have already taken place, more retirements are anticipated in the near future. In particular, Unit 2 of the Centralia plant, 670 MWs, is scheduled to cease operation in 2025, as is North Valmy Unit 2, which is 289 MWs.

50. The retirement of these necessary on-demand generation is occurring at the same time forecasters are predicting a significant increase in demand driven in part by electric vehicles and artificial intelligence development.

51. In addition, several existing dams in the Pacific Northwest are being considered for removal, constraining the future availability of hydroelectric resources.

52. In summary, there is much less reliable electrical generation available in Montana and the Pacific Northwest (the market) than in the past, and the closures scheduled for 2025 are expected to result in the loss of an additional 959 MWs of nameplate capacity by the end of that year. Importantly these losses of nameplate capacity are all for facilities for which their accredited capacity is very close to their nameplate capacity. As a result, the regional portfolio is shifting away from high-accredited to low-accredited generation sources. A difficult situation is expected to get worse and grave reliability concerns are no longer just the province of states like California and Texas that have had well publicized blackouts. A recent article by a former Federal Energy Regulatory Commissioner noted that this reliability concern has spread to over two-thirds of the Country. Given these circumstances, Colstrip is a critically important facility for NorthWestern and its Montana customers.

53. Equally importantly in terms of timing and supply, 100 MW of NorthWestern's current market contract capacity will be expiring in the near future. Given the retirements of facilities throughout the region, it cannot be assured that NorthWestern will be able to renew or replace these contracts when they expire, especially under as favorable of terms. To the extent