

any can be replaced, market conditions indicate that they will be at much higher costs, which will be passed directly on to our customers.

54. As noted above, NorthWestern engages in long-term electricity supply planning.

55. These historical and upcoming developments have left NorthWestern in a critically tenuous position of potentially not being able to reliably serve its customers' needs during periods of peak loads, such as hot summer and most critically, cold winter days. Reliance upon market purchases is becoming increasingly risky in terms of reliability and affordability and is expensive and uncertain, especially during critical weather events that absent resource sufficiency, places lives at risk. This is in spite of NorthWestern acquiring a substantial amount of generation since 2011.

56. Based on those identified needs, NorthWestern issued a Request for Proposals (RFP) in 2020. This RFP was explicitly for **any** type of generation that was able to provide capacity for those three distinct duration categories. This RFP was conducted by an independent and respected third party. NorthWestern was not directly involved in the evaluation process. The Yellowstone County Generating Station – a natural gas fired facility, was selected as providing the best combination of attributes to supplement NorthWestern's portfolio.

57. Wind and solar have some positive attributes as sources of electricity. They do not have fuel costs, do not create emissions, and their capital costs have declined over the past decade (though current inflationary trends and supply chain issues are having large cost and availability impacts, as in other areas of the economy). However, like any other type of electric generation, they also have downsides. In terms of reliably serving our customers, one important disadvantage of intermittent generation renewables is that the amount of electricity they generate varies significantly based on the weather. This is reflected by the previously discussed large