

BUILDING MONTANA'S ENERGY FUTURE

Recommendations and Strategies to Increase the Supply of Affordable and Reliable Energy Options for Montana

FINAL REPORT OF MONTANA GOVERNOR GREG GIANFORTE'S UNLEASHING AMERICAN-MADE ENERGY

August 18, 2026

DECLARATION STATEMENT

I hereby submit this final report of the Unleashing American-Made Energy Task Force, established by Governor Greg Gianforte through Executive Order No. 6-2025. My submittal of this report as presiding officer complies with Executive Order No. 6-2025 for the September 15, 2026, submittal deadline. The report identifies recommendations and strategies the executive branch agencies and legislature could implement to advance an all of the above approach to meeting Montana's growing energy demand, transmission, and generation needs, and to ensure an affordable, reliable, and sustainable energy future for Montana consumers.



This task force was not charged with a review of environmental regulations; however, Task Force members recognize that energy generation requires interactions with environmental regulations, which can set physical and legal boundaries for energy development. The recommendations provided by the Task Force do not change or circumvent Montana's robust environmental laws. The Task Force concentrated on energy policy, and members were intentional about focusing on the scope in which they were directed. Energy Task Force members reached a general consensus on the recommendations outlined in this report. The strategies and key documents also incorporate divergent views under barriers and challenges that capture conflicting perspectives to ensure that key decision makers have the complete perspective as they move forward.

Sonja Nowakowski

Sonja Nowakowski
Director of Montana Department of Environmental Quality
Task Force Chair

August 18, 2026

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ACRONYMS

ANOPR *Advanced Notice of Proposed Rulemaking*
BPA *Bonneville Power Administration*
DEQ *Montana Department of Environmental Quality*
DER *Distributed Energy Resources*
DNRC *Montana Department of Natural Resources and Conservation*
DOE *U.S. Department of Energy*
DPHHS *Montana Department of Public Health and Human Services*
EEA2 *Energy Emergency Alert Level 2*
EPA *U.S. Environmental Protection Agency*
ETIC *Montana Energy and Technology Interim Committee*
FAST-41 *Title 41 of the Fixing America's Surface Transportation Act*
FERC *Federal Energy Regulatory Commission*
GW *Gigawatt*
KW *Kilowatt*
LCG *Large Customer Group*
MBMG *Montana Bureau of Mines and Geology*
MBOGC *Montana Board of Oil and Gas Conservation*
MDU *Montana-Dakota Utilities*
MFFA *Montana Facility Finance Authority*
MFSA *Montana Major Facility Siting Act*
MISO *Midcontinent Independent System Operator*
MOU *Memorandum of Understanding*
MUS *Montana University System*
MW *Megawatt*
NASEO *National Association of State Energy Officials*
NIPPC *Northwest and Intermountain Power Producers Coalition*
NRC *Nuclear Regulatory Commission*
NWE *NorthWestern Energy*
OGSM *Objectives, goals, strategies, and measures*
PACT *Western Governor's Permitting Alignment & Coordination Task Force*
PSC *Public Service Commission*
PMA *Power Marketing Administration*
RFI *Requests for Interest*
RTO *Regional Transmission Organization*
SPP *Southwest Power Pool*
USB *Montana's Universal System Benefits Program*
VPP *Virtual Power Plant*
WAPA *Western Area Power Administration*
WATT *WestTEC Assessment and Technical Taskforce*
WECC *Western Electricity Coordinating Council*
WestTEC *Western Transmission Expansion Coalition*
WIEB *Western Interstate Energy Board*
WPP *Western Power Pool*

MESSAGE FROM GOVERNOR GIANFORTE

Fellow Montanans,

It is my honor to share with you the final report of the Unleashing American-Made Energy Task Force (Task Force). The diverse, bipartisan members of the Task Force have delivered a series of recommendations and strategies that will help guide Montana's energy future.

For this report, the Task Force examined Montana's energy supply and way it is delivered to homes, schools, and businesses across our state now and into the future. Our energy future must be reliable, affordable, and guided by Montana's leadership across the West.



Across our state and nation, demand for electricity is rising at an unprecedented pace. According to a recent report, the demand for electricity across the West is projected to grow by more than 20 percent in the next ten years. With more demand comes higher costs for Montanans. New industries are choosing Montana, our communities are growing, and our neighboring states increasingly look to our abundant natural resources for their own power needs. That's why we must be deliberate in our approach to expand power generation capacity, modernize and upgrade transmission, and engage thoughtfully in regional markets. Without a deliberate approach, Montanans will see higher energy bills for less reliable power.

To address this urgent need, we must act now to grow Montana's energy supply, strengthen the grid that delivers it, and continue embracing the all-of-the-above energy strategy that has long allowed Montana to chart its own course.

I look forward to working with the Montana State Legislature, state agency leaders, utility partners, neighboring states, and federal agencies to review and implement many of the ideas the Task Force recommends in this report.

I want to thank the members of the Task Force for their work and the innovative ideas in this report. I appreciate the unique perspective, valuable experience, and breadth of input each member provided. I am especially grateful to Sonja Nowakowski, director of the Montana Department of Environmental Quality, and Marta Bertoglio, director of the Montana Department of Commerce, for serving as co-chairs of this Task Force. Thanks to their leadership, Montana now has a roadmap for our energy future.

Finally, I thank all Montanans who made their voices heard throughout this process. From open houses to public comment, your input shaped this report and will continue to shape Montana's energy policy in the years ahead. I look forward to your continued engagement as we work together to keep Montana's energy strong, reliable, and a benefit to Montanans.

Sincerely,



Greg Gianforte
Governor

EXECUTIVE SUMMARY

On September 10, 2025, Governor Gianforte signed Executive Order No. 6-2025 creating the Unleashing American-Made Energy Task Force (Task Force). The Task Force is composed of 20 members, including bipartisan elected officials and representatives of various energy industries, and academia. Director of the Department of Environmental Quality (DEQ) Sonja Nowakowski chairs the Task Force with Director of the Department of Commerce (Commerce) Marta Bertoglio serving as vice-chair. The governor charged the Task Force with providing recommendations and strategies to increase the supply of affordable and reliable energy options for Montana.

The availability of affordable, reliable energy is critical to the wellbeing of people, communities, businesses, and the state's economy. Montana faces significant challenges that require a coordinated response by state government and policy makers, combined with new private sector investment.

The Western Electricity Coordinating Council (WECC) projects a 20% increase in electricity demand across the West by 2034, significantly higher than projections even three years ago. This increased demand is not only due to an increase in industrial loads but also because of population growth and electrification. In its 2025 Western Assessment of Resource Adequacy[1], WECC cautioned that the Northwest region, including Montana, faces an elevated risk of resource shortfalls driven by retirement of traditional resources that grid operators can ramp up and down to match demand, supply chain constraints, siting and interconnection delays, and growing demand for power.

Rather than addressing energy challenges in isolation, the Task Force adopted an all-of-the-above energy approach that recognizes the interconnected nature of generation, transmission, markets, and demand. The Task Force discussed all types of energy resources, including coal, natural gas, wind, solar, geothermal, hydro, demand-side resources, and nuclear, agreeing that a diverse energy portfolio is necessary for Montana. The recommendations related to specific resource types were not the result of preference. Instead, the Task Force identified roadblocks that could be addressed to unlock further potential for the development of certain resources.

The recommendations covered wide ranging topics.

- **Reform Utility Regulation:** The Task Force recommends the legislature structurally reform the Montana Public Service Commission (PSC). Changes are intended to strengthen regulator expertise, transparency, continuity, and address issues with regulatory uncertainty.
- **Strengthen Energy Leadership for Montana:** The Task Force recognizes the need to further define the state's energy functions and authorities to provide long-term energy policy leadership, support regional transmission and market participation, coordinate infrastructure planning, and facilitate public-private partnerships that advance Montana's energy and economic development goals.
- **Advance Regional Markets and Transmission Development:** The Task Force highlighted the need for strategic engagement in emerging regional electricity markets to advance Montana's energy priorities. Recommendations of the Task Force also address constraints on gas and electric transmission serving Montana that risk the reliability of Montana's energy supply while limiting the potential for economic development.

1 Western Electricity Coordinating Council. 2025. **Western Assessment of Resource Adequacy**.

- **Drive Economic Development:** The Task Force recommendations to address growing energy demand focus on clarifying the regulatory framework. These recommendations address serving new large customers, protecting existing energy customers, advancing load flexibility mechanisms to speed the interconnection of new customers, and building on Montana's competitive advantages in energy markets.
- **Right-size Energy Tax Framework:** The Task Force identified some shortcomings in Montana's energy infrastructure tax treatment. The taxes and incentives can place constraints on investment in electric transmission, natural gas infrastructure, energy generation, and storage. The Task Force recommends reevaluating energy tax abatements or other incentives to reflect current energy needs, as many of these incentives have not changed since 2007.
- **Build Innovative, Reliable Power Supply:** Recommendations from the Task Force highlight opportunities to advance the development of new firm energy resources. The Task Force identified opportunities to remove roadblocks for geothermal and nuclear energy development.
- **Optimize Grid Utilization and Control Consumer Energy Costs:** The Task Force identified opportunities to give households more control over their energy bill by leveraging private sector investments in high-performance, energy-saving technology, and distributed energy resources. These recommendations recognize that controlling energy costs during periods of high demand require a dual approach: at the systemic-level with grid management and at the ground-level with household or business interventions.

Implementation of the recommendations will require statutory reforms and improved coordination across the executive that set the stage for significant private sector investment and innovation in Montana's energy infrastructure. The implementation stages of the Task Force's recommendations have already begun with new leadership from the executive and close coordination with the legislature's Energy and Technology Interim Committee (ETIC) in preparation for the 2027 legislative session. The Task Force will provide guidance and oversight of the implementation stages through September 30, 2027 when it is set to expire.



Yellowstone County Generating Station. Credit: NorthWestern Energy

SECTION 1: RECOMMENDATIONS AND KEY STRATEGIES SUMMARY

The following recommendations and strategies represent the integrated findings of the Task Force, organized along major themes that emerged through the Task Force's deliberations and research. See Section 6 for the discussion of challenges and barriers involved in these recommendations.

1. Reform Utility Regulation[1]

Recommendation 1A

The Montana Legislature should pursue statutory changes to reform the Montana PSC to improve regulatory efficiency, transparency, and consistency in decision-making. Structural reforms should include consideration of transitioning the PSC from an elected body to an appointed body. The legislature should incorporate best practices, in its judgment, from peer commissions across the region.

Key Strategies

1. Reforms should include an evaluation of governance models used by peer states, including appointed commission structures that emphasize technical qualifications, long-term planning, and regional coordination.
2. The legislature should consider reforms that strengthen regulatory expertise, transparency, continuity, and Montana's ability to support reliable, least-cost utility service and infrastructure investment.

2: Establish Energy Leadership for Montana

Recommendation 2A

The legislature and the executive should review the state's energy functions and authorities to determine if those functions are appropriately organized, or if they should be part of a revised executive branch-led coordinating entity. Executive energy functions should provide long-term energy policy leadership, support regional transmission and market participation, coordinate infrastructure planning, and facilitate public-private partnerships that advance Montana's energy and economic development goals. This function should not duplicate regulatory processes or programs that are already functioning effectively within existing agencies, utilities, or market structures.

Key Strategies

The executive, including the PSC, DEQ, Commerce, and other entities, like the Northwest Power and Conservation Council, should establish an agreement through a memorandum of understanding (MOU) to ensure coordinated implementation of executive energy functions, including:

1. define functions necessary for statewide energy planning, infrastructure coordination, regional market participation (see **Recommendation 3A**), financing support, and partnership development;

1 NorthWestern Energy, the Large Customer Group, Montana Electric Cooperatives' Assocation, and GCC did not take a position on this recommendation or participate in this discussion.

2. coordinate with the legislature, utilities, federal power marketing administrations (PMAs), industry, and economic development organizations;
3. evaluate funding mechanisms that support transmission expansion, natural gas infrastructure, and emerging energy technologies;
4. ensure that executive energy functions remain focused, efficient, transparent, and investment-oriented while minimizing unnecessary administrative complexity;
5. establish a central point of contact for energy infrastructure developers to initiate development and permitting conversations to reduce barriers to entry; and,
6. develop a biennial state energy strategy (see **Recommendation 2B**).



Judith Gap Wind Farm

Recommendation 2B

The executive should develop a biennial state energy strategy that outlines guiding principles and clearly defines processes of the state with respect to Montana's energy priorities. This strategy should identify pathways to ensuring affordable and reliable energy supplies for Montana consumers and assist stakeholders, including energy infrastructure developers and utilities, in understanding the state's role. The strategy should provide an outline for policy changes, demand, and other factors that drive the state's need for energy development and support infrastructure related to energy resources, markets, and transmission. This strategy should include a technical analysis of energy resource and transmission options.

Key Strategies

The legislature could direct DEQ, in consultation with Commerce, to develop a state energy strategy if the executive does not advance this effort. This strategy should be completed as soon as reasonably possible and include public and ratepayer participation. The strategy should:

1. assess energy demand projections on a statewide basis;
2. assess energy resource and transmission needs necessary to ensure affordable, sustainable, and reliable energy supply to Montana consumers, support economic development in Montana, and advance continued development of resources for export to regional markets;
3. incorporate data available from existing energy plans and organizations, including: Northwest Power and Conservation Council planning processes, the Pacific Northwest Utilities Conference Committee, regional and utility transmission plans, utility integrated resource plans, Montana electric cooperative supply plans, and resources managed by generation and transmission cooperatives that serve Montana distribution cooperatives;
4. inform the executive's review of utility integrated resource plans and the Northwest Power and Conservation Council regional plans;
5. send a signal to private sector and investors that Montana is a competitive, pro-business environment for energy and infrastructure investment;
6. support and inform regional engagement;
7. identify energy policy deficits and recommendations to the legislature; and,
8. inform coordination of the executive with PMAs.

3: Advance Regional Markets & Transmission Development

Recommendation 3A

The executive should provide long-term regional energy policy leadership, coordinate infrastructure planning, and facilitate public-private partnerships that advance Montana energy development goals.

Key Strategies

To advance Montana energy development goals and to ensure Montana businesses and communities benefit from regional cost efficiencies and market access, the executive should:

1. establish agreement on points of contact and participation in regional power system coordination efforts via the MOU referenced in **Recommendation 2A**; and
2. strengthen Montana's coordination and engagement with regional and interregional electricity forums, including Western Interstate Energy Board (WIEB), WECC, and Western Power Pool (WPP) to improve access to credible information, elevate Montana's interests in regional discussions, and support more informed state decision-making on reliability, transmission, and market issues.

Recommendation 3B

The executive should advance efforts to better educate the public, decision-makers, and energy sector stakeholders about electricity markets in which Montana utilities currently participate. In addition, the executive should advance efforts to better educate the public on the implications of market participation for utility operations, transmission planning, grid reliability, consumer costs, and future energy decision-making in Montana.

Key Strategies

1. Develop plain language educational materials and public forums explaining electricity markets, the evolution of western electricity markets, and what joining a day-ahead market or Regional Transmission Organization (RTO) means for Montana. These materials should include information on what markets Montana utilities participate in today, how market participation affects utility operations and consumers, and the relationship between markets, reliability, and transmission.
2. Utilities, cooperatives, and PMAs should ensure public engagement is provided for as appropriate to the specific market for market participation decisions.
3. Benchmark how other states educate the public and engage in market and RTO-related policy discussions. The executive should review approaches used by other western states to inform public understanding, support decision-making, and communicate the role of the state in market participation and transmission planning (e.g., Nevada and Colorado).
4. Clarify the state's role in regional market organizations and planning efforts by identifying the responsibilities of state agencies, the legislature, the PSC, utilities, consumer advocates, and other relevant stakeholders in regional governance, oversight, public education, and stakeholder engagement (see **Recommendation 3A**).



Transmission line between Townsend and Toston, Montana

Recommendation 3C

The executive should advance interstate transmission development through leadership in collaborative regional initiatives.

Key Strategies

1. The Western Transmission Expansion Coalition (WestTEC), coordinated by WPP, released its initial 10-year plan in early February. The Task Force recognizes the importance of this study in improving the coordinated development of transmission to support reliability, promote access to lower-cost power for Montanans, and provide access to new markets for power generation in Montana. Governor Gianforte joined the governors of 11 other western states on June 30, 2026, to endorse the WestTEC process and findings.
2. Governor Gianforte also endorsed the establishment of a Western Governor's Permitting Alignment & Coordination Task Force (PACT) with the objectives of advancing implementation of the WestTEC 10-year plan and accelerating interstate transmission permitting. To maintain this momentum and Montana's effective leadership in the PACT, the executive should direct appropriate agency staff to lead Montana's participation in the initiative.

Recommendation 3D

The legislature should increase the Montana Facility Finance Authority's (MFFA) conduit financing lending cap, authorized to accommodate energy infrastructure projects.

Key Strategies

1. The legislature should consider an exemption to the MFFA conduit financing lending cap for transmission projects serving Montana that are developed by a PMA—e.g., Bonneville Power Administration (BPA) or Western Area Power Administration (WAPA).



Flathead River near Seli'š Ksanka Qlispe' Dam

2. The executive should ensure DEQ-MFFA collaboration to enable and vet transmission projects for financing and ask the legislature to endorse the collaboration in a manner that leverages administrative funding borne by those projects.
3. The legislature and/or the executive should explore options for clarifying or providing a property tax exemption for MFFA lease-purchased transmission for BPA via administrative rule or legislation, to provide parity with other Northwest public conduit issuers that provide financing to BPA. This parity is an important factor to ensure Montana is a viable location for BPA's lease-purchase program.

4: Drive Economic Development

Recommendation 4A

The executive should play a matchmaking role through Requests for Interest (RFIs) in power generation and utility equipment in the state by taking proactive measures to line up buyers and sellers and by securing U.S. Department of Energy (DOE) support to attract new industry, advanced manufacturing, and value-added resource development.

Key Strategies

The executive should:

1. issue an RFI for long-term supply and offtake commitments from existing and new power generation in or deliverable to the state to support legacy choice loads and growing demand, potentially with technical support resourced from U.S. DOE. This would provide an opportunity both for suppliers and customers to identify their needs and see whether, in aggregate, long-term contracts and new power generation are commercially supportable; and
2. help coordinate electric cooperative and investor-owned utility equipment purchases through a joint procurement process. Coordinated purchases could expand buying power and allow for more favorable commercial terms by sellers.

Recommendation 4B

The executive and legislature should promote customer choice in Montana's electricity sector.

Key Strategies

The executive, led by Commerce, should:

1. support long-term Power Purchase Agreements directly from energy producers;
2. facilitate local economic development of industrial parks so that large users have access to transmission and infrastructure; and
3. help to create procurement frameworks through open solicitations and standardized bidding platforms (see **Recommendation 4A**).

Recommendation 4C

The legislature should clarify how utilities and independent power producers serve large loads.

Key Strategies

The legislature should enact reforms to:

1. ensure a utility is able to serve new loads larger than 5 megawatts (MW) in size (while maintaining the option for choice for these customers);
2. clarify the process for a utility to serve those new large loads, i.e. what approvals are needed and under what standard;
3. provide a clear path toward opportunity for large loads to switch from service by the utility to another supplier, but only provided there is protection for the utility, and for existing customers to prevent the ratepayers bearing the cost any investment in regulated assets made to serve a new large load customer who had agreed to be served by utility, but who subsequently switched to another supplier;
4. ensure that the same entity may have meters that are served by different suppliers subject to appropriate parameters addressing resource adequacy and cost responsibility; and,
5. provide a clearer definition of self-generation in 69-8-201(3), MCA, to ensure existing and future large customers in Montana can produce energy behind the meter to meet their demand, if they so choose.



Calumet Montana Refinery

Recommendation 4D

The legislature should create a more efficient regulatory process to support timely development of generation and infrastructure needed to serve large new loads, including consideration of streamlined approval processes for such generation (including utility-owned generation) serving specific large-load customers and maintaining competitive procurement principles.

Recommendation 4E

The executive (DEQ and PSC) and legislature should promote certainty in the utility regulatory process at both the state and federal level.

Key Strategies

DEQ's Energy Bureau should intervene in the NorthWestern Energy (NWE) Large New Load tariff proceeding before the PSC, with the purpose of:

1. providing large load customers with a clear, workable pathway to service on NWE's system;
2. ensuring that existing NWE customers—residential, commercial, and industrial—are not subjected to negative rate impacts, cost shifts, or stranded-cost exposure as a result of large load integration; and,
3. ensuring that load flexibility pricing mechanisms, including demand response, are incorporated as offerings to enhance utilization of grid infrastructure.

Recommendation 4F

Support regulatory and federal coordination that improves how new large energy loads connect to the grid while maintaining fairness for existing customers.

Key Strategies

DEQ should:

1. coordinate with western state energy offices to engage with the Federal Energy Regulatory Commission (FERC) on the DOE Advanced Notice of Proposed Rulemaking (ANOPR) for large load interconnection. This would ensure that FERC's actions on the docket protect existing customers from unreasonable cost shifts, preserve state authority and flexibility, support timely infrastructure development, maintain reliability, and recognize the diversity of utility and market structures across the West;
2. encourage FERC in its response to the ANOPR to allow for "connect and manage" approaches for unbundled, choice customers of utilities that do not belong to RTOs; and
3. coordinate with other stakeholders to ensure that these approaches do not harm existing customers.

Recommendation 4G

The executive should take steps to encourage demand flexibility and "speed to power" -- the federal initiative aimed at rapidly expanding electrical grid capacity and expediting the interconnection of significant, new energy consumers. This initiative includes directives for proper cost allocation to protect existing customers and promotes opportunities to reduce grid instability.

Key Strategies

1. In its capacity as Montana's lead agency for Emergency Support Function 12 which is responsible for managing the state's response to energy emergencies, DEQ should correspond with the U.S. Environmental Protection Agency (EPA) and DOE to ensure that during situations of an Energy Emergency Alert, Level 2 (EEA2) and beyond that customer-owned duration- or run-time-limited backup generation is available to the Balancing Authority for grid emergencies.

2. Ensure that any regional market or resource adequacy structure Montana utilities participate in allows demand response to count towards resource adequacy standards and is otherwise a resource that can be commercially traded in the market.
3. Promote load flexibility including demand response options for utility customers (see **Recommendation 4E**).

Recommendation 4H

The legislature should review Montana's Universal System Benefits (USB) program established in 69-8-402, MCA in light of significant potential new large loads.

Key Strategy

Revisions to the USB statute should be focused on new, significant, large loads with the objectives of modernizing the program, expanding energy options available for expenditure of USB funds, and advancing utility system investments that increase utilization of existing grid infrastructure, improve reliability, and support energy affordability.[1]

5: Right-size Energy Tax Framework

Recommendation 5A

The legislature should be mindful of Montana's tax policies and their influence on energy infrastructure and ensure policies encourage investment in electric transmission, natural gas infrastructure, and energy generation and storage. Effective energy tax policies should provide predictability, support continued infrastructure investment, and preserve the pro-growth policy of the state.

Key Strategies

1. The legislature should consider whether a long-term, technology-neutral property tax abatement structure—potentially of up to 20 years—is appropriate for qualifying energy generation, transmission, interconnection, storage, and other critical infrastructure. When reviewing property tax changes, consideration should be given to existing taxpayers and ratepayer impacts.
2. The legislature or the Executive Branch should convene a legislative or executive task force to evaluate existing tax structures and recommend changes that promote fairness, investment, reliability, and long-term economic growth in the energy sector. That work should:
    a. compare Montana's energy tax rates with neighboring states and identify gaps in competitiveness;
    b. reevaluate abatements provided for in 15-24-3101 through 15-24-3111, MCA, to reflect current energy needs; and,
    c. revisit and clarify the tax classification requirements in 15-6-157, MCA related to transmission infrastructure to ensure they are easy to administer and implement while continuing to promote upgrades to existing transmission and development of additional transmission that is technology-neutral.

1 The Large Customer Group cautions the legislature from revising a large customer's ability to self-direct funds and to use these benefits as has historically been provided for in statute.



Yellowstone County Generating Station. Credit: NorthWestern Energy

6: Build Innovative, Reliable Power Supply

Recommendation 6A

The legislature, Montana University System (MUS), and executive, including DEQ, Department of Natural Resources and Conservation (DNRC), the Montana Board of Oil and Gas Conservation (MBOGC), and the Montana Bureau of Mines and Geology (MBMG), should cut geothermal permitting red tape and advance private sector partnerships to support geothermal power development.

Key Strategies

1. The legislature should develop a geothermal energy policy and permitting framework to support commercial development of geothermal power resources in Montana. A geothermal policy should:

    a. streamline permitting processes and reduce duplicative reviews for geothermal power generation;
    b. clarify ownership and regulatory treatment of geothermal heat resources;
    c. resolve jurisdictional conflicts between surface, mineral, and water rights;
    d. establish coordination of state agencies (DEQ, DNRC, MBOGC, MBMG) on geothermal permitting and resource assessment.

2. The executive should:

    a. improve geothermal coordination among state agencies and align MBMG research, federal funding opportunities, private-sector exploration, and development efforts to accelerate project development timelines;
    b. strengthen partnerships with regional off-takers seeking firm, carbon-free energy;
    c. encourage partnerships with the geothermal industry, utilities, large energy customers, and regional energy buyers to drive investment, workforce development, and rural economic opportunity; and,
    d. support federal coordination mechanisms such as FAST-41 where appropriate.

Recommendation 6B

The legislature should develop a state policy framework to support nuclear energy development in Montana as part of a diversified portfolio of energy resources.

Key Strategies

1. The legislature should establish a clear regulatory pathway for nuclear development in coordination with federal authorities. This should include aligning state planning with federal nuclear regulatory processes, including Nuclear Regulatory Commission (NRC) requirements. The legislature's regulatory pathway should:



Nuclear Power Plant. Credit: Adobe Stock

a. create "nuclear-ready community" designation criteria;
b. develop workforce training pipelines through Montana's Registered Apprenticeship Program as well as university, community college, and tribal college systems. This should include nuclear workforce education and career exploration/preparation programs in partnership with local school districts; and
c. develop an appropriate tax classification structure for nuclear facilities.

2. The executive, including the Department of Public Health and Human Services (DPHHS) and DEQ, should better coordinate on nuclear-related regulatory and safety issues.
3. The legislature and executive should support public engagement and education to ensure informed decision-making on nuclear development.

7: Optimize Grid Utilization & Control Consumer Energy Costs

Recommendation 7A

The legislature and executive should increase options for households and small businesses to manage energy costs with investments in high-performance energy measures and should reduce barriers to private sector investment and job growth in energy-saving technologies.

Key Strategies

1. Consistent with the 406 JOBS[1] statewide framework to unify and modernize Montana's workforce system, the executive should collaborate across state agencies to advance measures that will deliver industry-led workforce development focused on high-performance energy technologies and methods within the construction trades.
2. The executive should utilize available federal funding to advance targeted investments in high-performance energy technologies in a manner that leverages long-term private sector investment, builds workforce expertise, and improves energy affordability and reliability.
3. The executive should coordinate with utilities, the PSC, consumer representatives, and industry experts to modernize utility rate design as necessary to reduce barriers to investments in energy savings measures.
4. The legislature should prioritize a 2027-2028 interim study of the barriers to investment in energy efficiency and the effectiveness of existing programs and policies.

Recommendation 7B

The legislature should direct state agencies and utilities to plan for long-term integration of distributed energy resources, including batteries, solar, managed electric vehicle charging, and other distributed resources with focus on grid resiliency, resource adequacy, and individual customer choice.

Key Strategies

1. The legislature should pursue legislative changes to allow for increased investment in customer side generation. The executive should establish agency leadership and governance structures to support long term distributed energy resource (DER) planning.

1 See the **State Workforce Innovation Board** for details of the 406 JOBS initiative, enacted by Governor Gianforte in Executive Order 5-2025.

2. DEQ's Energy Bureau should engage with stakeholders, including, utilities, workforce representatives, national laboratories, university and extension offices, local governments, and tribal governments, to identify targeted DER deployment opportunity areas, especially battery deployment in geographically vulnerable communities.
3. The legislature should study the opportunities, feasibility, benefits, and regulatory considerations of aggregated customer side resource assets or virtual power plants (VPPs) to reduce peak demand and improve grid utilization of existing transmission and distribution infrastructure.



Residential solar installation in Bozeman, Montana

SECTION 2: NEXT STEPS AND IMPLEMENTATION

Immediate Actions (2026)

- Execute memo between executive branch agencies guiding implementation of Task Force recommendations, clarifying energy-related functions, and formalizing inter-agency coordination
- Formal endorsement of WestTEC process and findings and commitment to join PACT
- Intervene in Large New Load tariff docket at the PSC
- Coordinate with western state energy offices to engage in FERC proceeding on large load interconnection
- Develop public education materials and forum on regional electricity markets

Near-Term Actions (2027 Legislative Session)

- Advance PSC reform
- Clarify framework for serving large energy customers
- Advance nuclear and geothermal development frameworks

Long-Term Actions

- Implement state energy strategy planning process

SECTION 3: TASK FORCE PROCESS AND PUBLIC ENGAGEMENT

Meeting Calendar and Activities

The Task Force and its work groups met regularly from September 2025 through June 2026. Task Force and work group meetings were open to the public with the option to participate online. Meeting recordings were made available on the **Task Force webpage**. The following table summarizes the Task Force's meeting schedule:

Meeting	Date and Location	Summary
Energy Task Force	Monday, September 22, 2025 Governor's Reception Room Montana State Capitol, Helena, MT	After the governor's welcome, the Task Force hosted a kickoff meeting covering interests, expectations, and timelines. The Task Force established three work groups (Generation, Growing Demand, and Transmission & Markets) and identified cross-cutting themes (consumer perspectives, energy governance, regional markets, and best practices). A roadmap was presented by Director Nowakowski that laid out three phases (planning, analysis, and reporting) toward the September 2026 report, and the framed the approach of the Task Force around fuel neutrality, resource adequacy, cost-effectiveness, and Montana's regional role. A strategic planning framework outlining objectives, goals, strategies, and measures (OGSM) was developed in concert with the roadmap. It translated the Task Force's vision into a single-page, actionable roadmap that detailed exactly what the Task Force was asked to achieve and how it would get there.
Transmission & Markets Work Group	Monday, October 6, 2025 Online	The work group meeting included a review of structure and roles. DEQ staff and work group co-chairs presented on Montana's electric transmission system and transmission capacity. The work group began developing a problem statement focused on Montana's current lack of both a policy framework and an engagement process for evaluating and responding to evolving regional electricity market and transmission opportunities in the West. The meeting concluded with a discussion on next steps, research needs, and how to start developing potential solutions.

Meeting	Date and Location	Summary
Generation Work Group	Monday, October 6, 2025 Online	The work group reviewed energy supply trends and resource adequacy. Ben Brouwer of DEQ presented an overview of Montana's current energy supply resources and recent additions and a provided a review of resource adequacy evaluations relevant to Montana, including WECC, Northwest Power and Conservation Council, Western Resource Adequacy Program, and Midcontinent Independent System Operator. (MISO) The work group then developed its problem statement around Montana's key energy generation challenges and barriers to new development and discussed next steps, research needs, and a framework for potential solutions.
Growing Demand Work Group	Tuesday, October 14, 2025 Online	The work group began developing a detailed problem statement focused on two core issues: barriers to attracting capital investment for energy development and barriers to delivering the quantity and quality of energy needed by customers without causing adverse rate impacts. Discussions addressed topics including grid interconnection, large load regulatory frameworks, data center self-generation, property tax guidance, and permitting uncertainty. The work group concluded with a discussion on next steps, including inviting Montana-Dakota Utilities (MDU), NWE, and the Montana Electric Cooperatives Association to present on existing tariffs related to demand response, as well as inviting the Alberta Electric System Operator to present on their approach to interconnecting new loads.
Transmission & Markets Work Group	Friday, October 31, 2025 Online	The work group hosted a short introductory session on energy markets. The group provided background on energy markets and developed a problem statement specific to energy markets.
Generation Work Group	Monday, November 3, 2025 Online	The work group focused on finalizing the group's problem statement. Discussion concluded with next steps, research needs, and preparation for the November 13, 2025, full Task Force meeting.

Meeting	Date and Location	Summary
Growing Demand Work Group	Monday, November 10, 2025 Online	In this meeting, the work group examined how new load growth is brought onto the system. Presentations were given by MDU, NWE, the Alberta Electric System Operator, and Montana electric cooperatives, followed by questions and discussion. The session concluded by finalizing the work group's problem statement ahead of the full Task Force meeting.
Energy Task Force	Thursday, November 13, 2025 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The Task Force convened for its first full meeting with a focus on intersections with federal initiatives and a review of the work groups' emerging problem statements. Sen. Daniel Zolnikov, Chairman of the Montana Legislature's Energy & Technology Interim Committee (ETIC), gave an overview of ETIC's work plan. David Parsons and Pranava Raparla of U.S. DOE's Grid Deployment Office presented an overview of DOE's "Speed to Power" Initiative and Request for Information. Each work group's co-chairs presented their problem statements for Task Force discussion. The Task Force directed DEQ to draft and submit a response to the DOE Speed to Power RFI. See **Appendix B**.
Transmission & Markets Work Group	Thursday, November 13, 2025 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The work group convened following the full Task Force meeting on November 13, 2026, for a meeting centered on a presentation of the Montana Transmission Connectivity Study by Keegan Moyer of Energy Strategies. The study found that existing transmission constraints limit Montana's ability to export electricity despite the state's abundant potential for additional generation. Strategic investments in transmission interconnections would improve grid reliability and resilience, facilitate more efficient power transfers, and strengthen Montana's integration with regional energy markets. Note: the recording of this session is unavailable due to technical issues.
Generation Work Group	Friday, December 5, 2025 Online	The work group addressed follow-up items from the full Task Force meeting, identified presentation topics and presenters for future meetings, and established priority issues based on its problem statement.

Meeting	Date and Location	Summary
Transmission & Markets Work Group	Monday, December 15, 2025 Online	A markets-focused meeting was held that included reviewing the problem statement and next steps. The work group covered electricity market basics and the state's role in electricity market formation.
Growing Demand Work Group	Tuesday, December 16, 2025 Online	The work group discussed barriers and strategies tied to its problem statement. After a crosswalk of pre-meeting submissions, it discussed barriers and strategies around uncertain market conditions, regulatory complexity and slow administrative processes, and limited demand flexibility.
Transmission & Markets Work Group	Thursday, December 18, 2025 Online	The work group reviewed the problem statement and dug into regional transmission. The meeting featured a WestTEC presentation and discussion from Ben Fitch-Fleischman, co-chair of the WestTEC Assessment and Technical Taskforce (WATT), and a review of state energy/transmission authorities by DEQ's Kyla Maki. The group then held a focused discussion on recommendations.
Generation and Growing Demand Work Groups	Thursday, January 8, 2026 Online	A joint work group session was held to discuss regulatory structure and large loads. A PSC structure panel featured the Chair of the New Mexico Public Regulation Commission, Sen. Gayle Lammers (ETIC), and the Montana Chamber of Commerce. A second panel on serving large loads brought in the Large Customer Group, Northwest and Intermountain Power Producers Coalition (NIPPC), and NWE, followed by work group discussion.
Generation Work Group	Monday, January 12, 2026 Online	The work group continued development of recommendations and reviewed recommendation worksheets. Jon Schafer, NWE, presented a summary of the utility's 2026 integrated resource plan (IRP).

Meeting	Date and Location	Summary
Energy Task Force	Wednesday, January 21, 2026 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The full Task Force met in Helena for an introduction to the natural gas system and regional/tribal energy coordination. Mark Anderson, WBI Energy, and Mike Cashell, NWE, provided an overview of their utilities' natural gas system infrastructure in Montana, limitations, options for expansion, and recommendations to support expanded natural gas infrastructure. A panel focused on regional and tribal coordination opportunities included presentations from Nathan Neudorf, Alberta Ministry of Utilities and Affordability; Cally Younger, Idaho Governor's Office of Energy & Mineral Resources; Rob Creager, Wyoming Energy Authority; Chairman Frank White Clay and Amanda Sowden, Crow Tribe; and Andrew Westerman, Energy Keepers. The meeting closed with upcoming meeting logistics, including an announcement of the Butte, Miles City, and Colstrip open house events.
Generation Work Group	Wednesday, January 21, 2026 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The work group convened following a meeting of the full Task Force to focus on nuclear energy opportunities. Michelle Zietlow-Miller, Gateway for Accelerated Innovation in Nuclear covered nuclear commercialization and federal licensing. Greg Bailey, NWE, presented the utility's nuclear feasibility study and analysis of options in Montana. Representatives from regional state energy offices and the National Association of State Energy Officials (NASEO) outlined state strategies to advance nuclear energy. Presenters included Sean Schaub, Wyoming Energy Authority; Tim Kowalchik, Utah Office of Energy Development; and Kelsey Jones, NASEO.

Meeting	Date and Location	Summary
Butte Open House	Wednesday, February 25, 2026 Montana Tech University, 1300 W Park St., Butte, MT	The first Energy Task Force Open House was held at the Copper Lounge on the Montana Tech campus. Members of the Task Force and state agency staff were in attendance that have a role in energy regulation and development. Representatives from local government, NWE, and Sabey Data Centers participated to address questions about proposed data center development in Butte-Silver Bow County. Attendees raised questions about water sourcing and consumption, energy demand, local tax impacts, job creation, noise and light pollution, housing capacity, and the long-term sustainability of large-load development. There was also strong interest in expanded renewable energy development, including residential solar and ground source heat pumps and questions about utility rate regulation at the PSC.
Growing Demand Work Group	Friday, February 27, 2026 Online	This work group meeting dedicated a significant amount of time discussing PSC reform, with broad agreement that the work group should defer to ongoing efforts at ETIC and the Chamber of Commerce while remaining prepared to provide principles or feedback. The group then worked through detailed questions surrounding customer choice, large-load service, statutory clarity, and resource adequacy, identifying several issues for further clarification and future discussion.
Transmission & Markets Work Group	Thursday, March 5, 2026 Online	A working session was held to finalize work group recommendations. Discussion centered on the WestTEC 10-Year Study, executive energy functions, and PD18—the Interstate Competitive Transmission Development Compact Act draft legislation under ETIC's consideration.
Generation Work Group	Monday, March 9, 2026 Online	The work group covered cross-cutting topics ahead of the full Task Force meeting. The group worked through PSC reform, executive energy functions, serving large loads, nuclear energy policies, and a geothermal policy research update. It then reviewed its problem statement and recommendations worksheet and planned future agenda topics.

Meeting	Date and Location	Summary
Energy Task Force	Thursday, March 19, 2026 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The Task Force hosted a full-day meeting blending consumer perspectives with recommendation development. The meeting opened with an overview of the role of the Montana Consumer Counsel, provided by Jason Brown, Consumer Counsel, ETIC and open house updates, and a Task Force discussion on regional transmission initiatives. The Task Force heard presentations on energy affordability and consumer perspectives from Jonathan Ballew, Energy Share of Montana; Joe Kolman, Montana Electric Cooperatives' Association; and Jim Morton, HRC Cottages and former director of Human Resource Council District XI. The afternoon turned to Task Force discussions on PSC reform, executive energy functions, serving large loads, and final report updates.
Miles City Open House	Tuesday, March 24, 2026 Eastern Montana Fairgrounds, 42 Garryowen Rd., Miles City, MT	The second open house followed a similar format, with Task Force members and state agency staff present to talk with attendees. NextEra Energy leadership and staff were in attendance to address questions specific to eastern Montana's energy resources. The conversation in Miles City reflected the region's strong ties to both traditional and renewable energy. Questions focused on wind power development, commercial leasing of state lands, and the potential expansion of the Buffalo Rapids Irrigation Project. Water related concerns were also prominent, with questions about dewatering and salinity tied to both energy development and agricultural uses.

Meeting	Date and Location	Summary
Colstrip Open House	Wednesday, April 15, 2026 Business Innovation Center, 6200 Main St., Colstrip, MT	The final open house provided another opportunity for members of the public to talk with Task Force representatives and state agency staff about energy topics. Participants generally had questions about the future of the Colstrip Power Plant, workforce transitions, and the next generation of energy technology. Key topics of discussion included the continued operation of the Colstrip Power Plant and its role serving on-demand, baseload power, the North Plains Connector transmission project and its potential to position Colstrip as a hub between the western and eastern power grids and the opportunity to leverage Colstrip's skilled workforce for new generation technologies, such as gas, nuclear, storage, wind, or solar.
Generation Work Group	Tuesday, April 28, 2026 Online	The work group reviewed the status of geothermal, wind, solar, and energy storage development in Montana, including a discussion of policy barriers for geothermal energy. Presenters on geothermal included John Sanford, MBMG; Brad Van Wert, Upstream Exploration Ventures; and Mike O'Connor, Center for Public Enterprise. Ed Rihn, BHE, and Ross Feehan, NextEra, presented on solar, wind, and storage advancements.
Transmission and Markets Work Group	Wednesday, April 29, 2026 Online	The work group continued to focus on drafting recommendations in this meeting. It opened with a letter supporting the governor's endorsement of the WestTEC study, then a presentation on the PACT by Steve Black, Gridworks. The group discussed PACT, executive energy functions and an education policy framework.
Growing Demand Work Group	Thursday, May 7, 2026 Online	The work group held a meeting to discuss refining and shortening a recommendations document while ensuring that key perspectives, particularly those from NWE, were accurately captured. A significant portion of the conversation focused on the newly filed large-load tariff, with NWE explaining its structure, goals, and implications for customer choice, cost allocation, and regulatory clarity. The group also worked through legislative recommendations, including clarifying PSC jurisdiction and ensuring parameters around how large customers may choose suppliers at different meters.

Meeting	Date and Location	Summary
Generation Work Group	Friday, May 15, 2026 Online	A short meeting was held devoted entirely to the work group's draft recommendations. The bulk of the time focused on work group discussion to refine recommendations ahead of the May 20 full Task Force meeting.
Energy Task Force	Wednesday, May 20, 2026 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The Task Force held a full-day session built around drafting the Task Force's recommendations. After ETIC updates and overviews of executive-branch energy functions by Ben Brouwer, DEQ; Canon Luerkens, Commerce; and the Will Rosquist, PSC, members worked through draft recommendations in three blocks: executive energy functions and regional markets, large loads, regulatory reform, and PSC reform, and energy taxes, specific resources, and energy efficiency.
Transmission & Markets Work Group	Tuesday, June 9, 2026 Online	The work group hosted a wrap-up meeting to refine draft recommendations ahead of the July full Task Force meeting. Members discussed developing a state energy plan, regional market participation and public education, and energy infrastructure property taxes. The work group opted to not advance recommendations to change the Major Facility Siting Act (MFSA). The session included a presentation from Ian Macgrunder, Utilize Coalition, and Molly Knoll, Brattle Group, on grid utilization.

Meeting	Date and Location	Summary
Generation Work Group	Wednesday, June 17, 2026 Online	The work group hosted its final meeting to discuss draft recommendations needing further work. Members endorsed leveraging the MFFA as a conduit issuer for revenue-bond financing, particularly to support Bonneville Power Administration transmission development, alongside a DEQ–MFFA collaboration to vet energy infrastructure projects. The team discussed creating a more efficient regulatory pathway for utility-owned generation serving large new loads. A proposed state role in joint procurement for choice and other large loads garnered support. Makenna Sellers, Montana Renewable Energy Association, presented policy recommendations related to integration of DERs. The work group advanced recommendations to integrate DERs, including support for advancing ETIC's Solar Shares (community solar) draft legislation, establishing executive-level leadership for long-term DER planning, targeted DER deployment (e.g., batteries in vulnerable communities), and exploring virtual power plants. The session concluded with consensus to carry these items to the Task Force. Arne Olson, Energy & Environmental Economics, provided a presentation on a recently released assessment of the region's resource adequacy.
Energy Task Force	Wednesday, July 8, 2026 Room 228, Montana Department of Commerce, 301 S Park Ave., Helena, MT	The full Task Force convened to refine recommendations for the final report. Discussion focused on new work group recommendations (utility procurement pathways, transmission finance, and DER integration) and review of earlier recommendations.
Energy Task Force	Monday, August 25, 2026 Governor's Reception Room, Montana State Capitol, Helena, MT	Presentation of the final report and recommendations to Governor Gianforte.

Public Engagement

Public engagement was a cornerstone of the Task Force's process. All Task Force and work group meetings were open to the public with the option to participate online. Meeting recordings were made available on the Task Force webpage and public comment was solicited through an online portal. All meetings were noticed to the public using a public email listserv that included 83 contacts.

The Task Force portal collected 190 comments, not including those sent directly to DEQ's Public Policy and Government Affairs Officer. Emailed comments and letters were compiled and provided to Task Force members as well.

To ensure Montanans from all regions of the state could participate, the Task Force held open houses in communities directly affected by energy development. The open house series was designed to bring the Task Force, state agency staff, and industry partners into communities directly affected by energy development and generation decisions. Staff from DEQ, DNRC, and Commerce were on hand at each event alongside local partners to answer questions and receive written comments.

The format was intentional: topic tables where attendees could speak one-on-one with subject-matter experts, rather than a town-hall format. This allowed for more substantive conversations, although we also heard feedback from some attendees who preferred a town hall structure.

These open houses provided opportunities for Montanans to ask questions, share concerns, and provide input on the direction of the Task Force's recommendations. Written comments were collected and formally submitted as part of the Task Force's public input process.



Butte open house on February 25, 2026

SECTION 4: MONTANA'S ENERGY LANDSCAPE

Current Energy Overview[1]

Montana's electricity sector is always evolving, shaped by shifting regional and national trends, policies, and supply and demand forces. Since 2020, the state has added new wind, natural gas, and solar generation as well as large-scale battery energy storage systems with more projects in development. Montana's electricity system operates across multiple regulatory frameworks and market structures.

Montana's residents are served by three investor-owned utilities, 25 member-owned cooperatives, and one municipal-owned utility. Of these, only the investor-owned utilities are regulated by the Montana PSC. Federal and state governments and other national utility companies own generation and transmission assets in Montana. These entities operate in federally regulated wholesale markets, meaning they do not sell directly to residential or small commercial customers in Montana, although some of the companies maintain assets intended to serve out-of-state residential customers.

Montana has always been a net-exporter of electricity, meaning that it generates more than it consumes with energy flowing across interconnected transmission grids that connect to markets in all directions including Canada. The federal government has taken significant steps over the past 30 years to "open" transmission access to new participants for the purpose of diversifying resources, increasing competition, and increasing reliability. Six federally regulated regional transmission organizations/independent system operators exist in the United States; however, operators are not required to join them. The development of "organized" markets has been slow to form in the Pacific Northwest including Montana; however, in recent years, utilities in the eastern third of the state have joined the Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP). While they evaluate emerging and expanding electricity market options, Montana utilities are participating in regional real-time energy markets and resource adequacy programs (i.e. Western Energy Imbalance Market, and the Western Resource Adequacy Pool) that are modernizing the management of Montana's energy resources and loads while giving Montana generators and utilities access to new markets.



Seli'š Ksanka Qlispe' Dam

1 For a comprehensive overview of Montana's energy landscape, view the latest edition of "**Understanding Energy in Montana.**"

New Energy Pressures

In its 2025 Western Assessment of Resource Adequacy[1], WECC cautioned that the Northwest region faces an elevated risk of resource shortfalls within the next ten years driven by retirement of traditional dispatchable resources, supply chain constraints, siting and interconnection delays, and growing demand for power. That assessment bears out in Montana, which has seen a shifting resource mix and rising energy demand exacerbated by extreme weather events.

Generators don't run at full nameplate capacity all the time. The amount of electricity a generator produces depends on the resource and how much electricity customers are using at any point in time. Predictable resources like coal and hydroelectric power tend to have higher capacity factors, while variable resources like wind and solar have lower capacity factors. Natural gas generation is generally used to fill in the gaps and ramp up and down quickly as peaks ebb and flow.

As of 2024, Montana had 7,183 MW in total nameplate electric generating capacity, meaning the maximum generation potential—the highest number ever. Electric generation is also the cleanest it has ever been with reported sulfur dioxide, nitrogen oxide, and carbon dioxide emissions trending down significantly in recent years, which tracks the changing composition of the state's generation fleet. Despite these changes, the state's annual generation of electricity has remained relatively constant over the years. In 2024, the state generated 26.8 gigawatt hours (GWh) (or more than 26.8 million MW hours) which is one percent higher than in 2019 and three percent higher than in 1996.[2] Approximately 15.5 GWh of electricity was consumed within the state compared to 15.3 GWh in 2019 and 13.8 GWh in 1996.[3]

Although Montana remains a net-exporter of electricity, anticipated in-state and regional demand is projected to increase significantly due to population growth, electrification of heating loads and transportation, increased demand for air conditioning, and economic growth including advanced manufacturing, mine processing facilities, and data centers.

The availability of adequate transmission capacity within and outside of Montana constrains the state's ability and flexibility to obtain and deliver electricity. The existing high voltage system has changed little in 30 years although utilities have upgraded the capacity of some lines. The Montana-Alberta Tie Line built in 2013 is the most recent intrastate transmission line and NextEra energized its line connecting the Clearwater Wind project to the Colstrip substation in 2022. The regulatory structure in Montana requires a showing of need for new transmission projects that are 230 kilovolts or larger and ten miles or longer that fall under MFSA (75-20-104(8)(a)(i), MCA). Transmission builders without power purchase agreement contract commitments from potential new generators looking to contract for transmission service may face an uphill battle in demonstrating the need for new transmission.

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1 Western Electricity Coordinating Council. 2025. **Western Assessment of Resource Adequacy**.

2 **State Electricity Profiles 1999**

3 **Montana Electricity Profile 2019**

Electrical generation, both in-state and nationwide, relies on natural gas for a fuel source. Natural gas was the primary fuel choice for new electricity generation in the U.S. West for decades until that balance shifted toward wind and solar generation in the 2010s. Across the west, the shift is a result of market and policy trends, including state-level carbon emissions goals and the proliferation of zero-fuel-cost renewable generation. Recently, natural gas generation has resurged as a preferred fuel source due to a need for dispatchable and flexible electricity sources. NWE is one of many utilities that have added new large natural gas generation plants in recent years. Adding more new natural gas plants in Montana requires further evaluation of the state's natural gas transmission system to support the increased industrial demand.

Increasingly competitive energy markets mean that Montana must consider an all-of-the-above strategy of electricity generation and transmission solutions that address resource adequacy, reliability, and affordability.



Staff at Clearwater Wind Farm

Customer Choice in Montana

Montana had a brief experiment with deregulation in the early 2000s. In practice, it was limited to customers of the Montana Power Company which merged with NorthWestern Corporation to form NorthWestern Energy in 2002. While a competitive residential retail market failed to materialize, competitive markets did develop to serve large industrial electricity customers and most of NorthWestern's large industrial customers opted for alternate wholesale electricity suppliers while remaining NorthWestern transmission customers.

The 2007 Electric Utility Industry Restructuring and Customer Choice Act, or the "reregulation" bill as it was often called, allowed NorthWestern Energy to once-again own rate-based electric generation to serve its customers. The bill limited the ability of retail customers with a monthly demand of less than 5,000 kilowatts (kW) to change electricity suppliers; however, large customers can continue to pursue alternate energy suppliers.

SECTION 5: TASK FORCE MEMBERS & ORGANIZATION

Task Force Leadership

- **Sonja Nowakowski**, Task Force Chair, Director of the Department of Environmental Quality
- **Marta Bertoglio**, Task Force Vice Chair, Director of the Department of Commerce

Elected Officials

- **Sen. Chris Pope** (D-Bozeman), Vice Chair of the 2025 Senate Energy, Technology & Federal Relations Committee, Member of the Montana Legislature's Energy and Technology Interim Committee
- **Rep. Gary Parry** (R-Colstrip), Chair of the 2025 House Energy, Technology & Federal Relations Committee, Member of the Montana Legislature's Energy and Technology Interim Committee

Industry Representatives

- **Shannon L. Brown**, Managing Director for West Operations, Talen Energy
- **Megan Toomey**, Vice President of Environmental Affairs, Talen Energy (replaced Shannon Brown as Talen's Task Force representative effective March 31, 2026)
- **Mike Cashell**, Vice President - Transmission, NorthWestern Energy
- **Joe Stimatz**, Supply and Transmission Services Officer, NorthWestern Energy (replaced Mike Cashell as NorthWestern's Task Force representative effective March 19, 2026)
- **John Chesser**, Chief Executive Officer and Co-Founder, Quantica
- **Sarah Clerget**, Of Counsel Attorney, Holland & Hart, representing the Large Customer Group
- **Rob Corbin**, Senior Vice President of Energy Development, Sabey Data Centers
- **Sean Farrell**, Chief Operating Officer, TeraWulf Inc.
- **Ryan Fitzpatrick**, Executive Director of Development, NextEra Energy Resources
- **Joe Geiger**, Director of Generation, Montana-Dakota Utilities
- **Spencer Gray**, Executive Director, Northwest & Intermountain Power Producers Coalition
- **Travis Kavulla**, NRG Energy, Base Power and former Vice Chair of the Montana Public Service Commission[1]
- **Mark Lambrecht**, Chief Executive Officer, Montana Electric Cooperatives' Association
- **Dan Lloyd**, Senior Manager of Community Relations, Grid United
- **Ed Rihn**, Chief Executive Officer, BHE Montana, BHE U.S. Transmission and BHE Canada
- **Andrew Schneider**, U.S. Energy Manager, GCC

Academia and Other Representatives

- **Bob Morris**, Lance Energy Chair, Montana Technological University
- **Kate Wilson**, Montana Liaison, Bonneville Power Administration

1 At the time of his appointment to the Task Force, Mr. Kavulla was Vice President for Regulatory Affairs at NRG Energy. He later changed positions to Head of Policy for Base Power Company. Travis was sworn in as Administrator and CEO of Bonneville Power Administration on June 29, 2026 and ceased active participation in the Task Force as of that date.

Staff Support

DEQ and Commerce staff provided technical and administrative support for the Task Force, including meeting coordination, public engagement, and report preparation.

Task Force Work Groups

Generation Work Group

- Co-chairs: Rep. Gary Parry and Robert Morris
- Members: Megan Toomey, Spencer Gray, Ed Rihn, Ryan Fitzpatrick

Growing Demand Work Group

- Co-chairs: Travis Kavulla and Sarah Clerget
- Members: Rob Corbin, Sean Farrell, John Chesser, Mark Lambrecht

Transmission & Markets Work Group

- Co-chairs: Sen. Chris Pope and Dan Lloyd
- Members: Joe Stimatz, Joe Geiger, Kate Wilson, Andrew Schneider

SECTION 6: TASK FORCE RECOMMENDATIONS & RATIONALE

The recommendations outlined in Section 1 are based on deliberations of the Task Force, informed by input from the public and expert presenters. Section 6 presents worksheets developed by each of the Task Force work groups. Those worksheets outline the challenges that each recommendation addresses, as well as the rationale for the recommendation and strategies. Note that the Task Force arrived at final recommendations in Section 1 through a deliberative process, and the final recommendations may not exactly mirror the worksheet elements outlined below.

Worksheet 1: Reform Utility Regulation

Recommendation 1A, Reform Utility Regulation[1]

Worksheet developed by Growing Demand Work Group

Initial Challenge Identified (Problem Statement)

Market and regulatory conditions create uncertainty that weakens long-term investment signals and undermines reliable, least-cost service for customers.

Unique Barriers Identified

- Montana's PSC lacks sufficient technical and balanced expertise, leading to inconsistent decision-making. This expertise gap also limits Montana's effectiveness and influence in regional energy initiatives.
- Montana is one of only nine states with a fully elected public utility commission. The elected structure can limit the PSC's ability to maintain the long-term technical expertise, continuity, and strategic focus necessary to evaluate complex infrastructure investments and ensure electric system reliability over multi-decade planning horizons.

Recommendation

Support the Montana Legislature's ETIC in its efforts to enact structural reforms to the PSC, including consideration of transitioning the PSC from an elected body to an appointed body. Encourage ETIC to incorporate best practices, in its judgment, from peer commissions across the region.

Rationale

New Mexico recently transitioned its Public Regulation Commission from an elected to an appointed body. Under the elected structure, the commission made questionable decisions and fell behind on regional energy engagement. Following restructuring, the appointed commission selected highly qualified members with diverse expertise, implemented more transparent and efficient processes, and improved decision-making. This shift increased regulatory certainty and helped attract investment.

Montana's electric system will require significant long-term investment in generation, transmission, and grid modernization. These decisions increasingly involve complex technical, financial, and regional market considerations that benefit from consistent regulatory expertise and long-term planning perspectives. An appointed commission structure may improve continuity, technical competency, and regulatory certainty while strengthening Montana's participation in regional energy planning and infrastructure development.

1 NorthWestern Energy, the Large Customer Group, Montana Electric Cooperatives' Assocation, and GCC did not take a position on this recommendation or participate in this discussion.

Key Strategies

1. Endorse the PSC restructuring efforts of the Growing Demand Work Group, the Montana Chamber of Commerce, and the Montana Legislature's ETIC.
2. Evaluate governance models used by peer states, including appointed commission structures that emphasize technical qualifications, long-term planning, and regional coordination.
3. Encourage reforms that strengthen regulatory expertise, transparency, continuity, and Montana's ability to support reliable, least-cost utility service and infrastructure investment.

Possible Challenges and Outcomes

Some Task Force members have business before the Public Service Commission and may not be able to take a position on PSC structural reform.

In addition, transitioning from an elected to an appointed commission may raise political and public concerns regarding accountability and governance. However, structural reforms could improve regulatory consistency, strengthen technical expertise, enhance long-term infrastructure planning, and increase investor confidence in Montana's energy sector.

Worksheet 2: Establish Energy Leadership for Montana

Recommendation 2A, Executive Energy Leadership

Worksheet developed by Generation and Transmission & Markets Work Group

Initial Challenge Identified (Problem Statement)

Market and regulatory uncertainty weakens long-term investment signals and undermines reliable, least-cost energy service. Montana also lacks a clear statewide energy strategy and coordinated executive leadership to guide long-term infrastructure development, regional market participation, and energy investment.

Unique Barriers Identified

- Montana lacks a coordinated statewide energy policy and long-term infrastructure strategy.
- The state faces challenges developing large-scale electric transmission and natural gas infrastructure projects.
- Montana has limited experience establishing effective public-private partnerships for major energy investments.
- Regulatory and infrastructure planning efforts are fragmented across agencies and organizations.

Recommendation

Establish a state energy authority or similar executive-led coordinating entity to provide long-term energy policy leadership, support regional transmission and market participation, coordinate infrastructure planning, and facilitate public-private partnerships that advance Montana's energy and economic development goals.

The authority should not interrupt or duplicate regulatory processes or programs that are already functioning effectively within existing agencies, utilities, or market structures.

Rationale

Montana is entering a significant energy transition requiring major investment in electric transmission, natural gas infrastructure, and new dispatchable generation resources including natural gas, advanced nuclear, geothermal, and other emerging technologies.

The anticipated retirement of the Colstrip power plant by 2043, combined with growing demand from data centers, manufacturing, mining, and other large industrial users, will require coordinated long-term infrastructure planning. At the same time, transmission and natural gas systems face emerging capacity constraints that could limit future development and economic growth.

A coordinated statewide strategy is needed to improve regional market access, support infrastructure expansion, attract private investment, and maintain reliable and affordable energy service. Without expanded energy investment and economic growth, infrastructure replacement costs will increasingly fall on existing Montana ratepayers.

An energy authority could improve long-term planning, strengthen regional engagement, align infrastructure and economic development priorities, and help position Montana as a competitive energy-producing state.



Colstrip Power Plant

Key Strategies

1. Evaluate energy authority and infrastructure coordination models in other states and regions to identify best practices applicable to Montana.
2. Define functions necessary for statewide energy planning, infrastructure coordination, regional market participation, financing support, and partnership development.
3. Coordinate closely with the Transmission & Markets Work Group, ETIC, utilities, industry, and economic development organizations.
4. Evaluate funding mechanisms that support transmission expansion, natural gas infrastructure, and emerging energy technologies.
5. Ensure the entity remains focused, efficient, transparent, and investment-oriented while minimizing unnecessary administrative complexity.

Possible Challenges and Outcomes

Some stakeholders may be concerned about creating additional government structure or authority. However, improved statewide coordination and leadership could strengthen infrastructure planning, attract private investment, enhance reliability, support economic development, and maintain Montana's competitiveness in regional energy markets.

Worksheet 3: Advance Regional Markets & Transmission Development

Recommendations 3A and 3C, Regional Engagement

Worksheet developed by Transmission & Markets Work Group

Initial Challenge Identified (Problem Statement)

Montana lacks clear, strategic guidance, regulatory, and public policy direction to help utilities and other stakeholders navigate the rapidly evolving landscape of regional day-ahead electricity markets and transmission organizations in the West. There is currently no formal or informal process to educate, engage, or solicit input from the public and stakeholders on these emerging regional market developments.

This problem statement is broken out into two areas to identify solutions/strategies:

1. Unclear regulatory and public policy direction
2. No established process for utilities to gather input from stakeholders on market participation decisions

Unique Barriers Identified

Montana's overall regulatory framework for transmission planning, permitting, determining benefits, and cost allocation is not well defined, lacks certainty, and is slow, hindering the state's ability to attract investment in critical infrastructure. Modern transmission upgrades and increased transmission capacity are essential to ensure reliability and resilience for consumers and to connect Montana's electric grid to regional markets. Improved connectivity can promote economic growth, reduce energy costs, and support environmental and other policy goals.

- There are no existing processes or established benchmarks related to an investor-owned utility's adoption of a market and treatment of associated costs—such costs can be substantial. Note: This applies to only NWE, as electric co-ops, BPA, and MDU are in different situations or have different regulatory regimes.
- Montana does not have an energy policy or clearly established regulatory policies that speak to the importance and potential benefits/drawbacks of existing and expanding regional electricity markets including real-time and day-ahead.
- It is not clear that the PSC has been appropriately engaged in regional developments related to day-ahead markets/RTOs relative to our peer states operating in the WECC.
- Montana needs adequate transmission access to the electricity markets that are forming to realize the benefits of those markets. Transmission is constrained and costs to develop interregional transmission are a significant barrier for utilities (perhaps especially regulated utilities).
- It is difficult for individual states and utilities to communicate the value of interregional transmission and market participation to regulatory agencies.

Recommendation

Montana, through both the executive and legislature, should better support and engage in collaborative interregional initiatives that provide credible and actionable information as it relates to Montana's role in the region's electric system, including information relevant to regional transmission planning, reliability and resilience, market developments, resource adequacy, and other trends that may influence Montana's energy planning and infrastructure decisions.

Rationale

By supporting and participating in collaborative interregional initiatives, Montana can improve access to credible and actionable information, strengthen representation of state's interests in regional electricity discussions, and more proactively prepare for future grid reliability, affordability, and infrastructure challenges. Greater engagement in these forums can also help Montana better understand emerging regional transmission, market, and resource adequacy issues, monitor policy and planning developments in neighboring states and across the Western Interconnection, and ensure state decision-makers are better positioned to evaluate how regional trends may affect Montana consumers, utilities, and long-term planning needs.

Key Strategies

1. WestTEC, coordinated by the WPP, released its initial 10-year plan in early February, and the Task Force recognizes the importance of this study in improving the coordinated development of transmission to support reliability, promote access to lower-cost power for Montanans, and provide access to new markets for power generation in Montana. The Task Force recommends Governor Gianforte endorse the WestTEC process and findings.
2. The governor should endorse the establishment of a PACT with the objectives of advancing implementation of the WestTEC 10-year plan and accelerating interstate transmission permitting. To ensure Montana's effective leadership in the PACT, the governor should direct appropriate executive agencies to staff the initiative.
3. The executive should strengthen Montana's coordination and engagement with regional and interregional electricity forums, including Western Interstate Energy Board (WIEB), WECC, and WPP to improve access to credible information, elevate Montana's interests in regional discussions, and support more informed state decision-making on reliability, transmission, and market issues.

Recommendation 3B, Market Information

Worksheet developed by Transmission & Markets Work Group

Initial Challenge Identified (Problem Statement)

Montana lacks clear, strategic guidance, regulatory, and public policy direction to help utilities and other stakeholders navigate the rapidly evolving landscape of regional day-ahead electricity markets and transmission organizations in the West. There is currently no formal or informal process to educate, engage, or solicit input from the public and stakeholders on these emerging regional market developments.

This problem statement is broken out into two areas to identify solutions/strategies:

1. Unclear regulatory and public policy direction
2. No established process for utilities to gather input from stakeholders on market participation decisions

Unique Barriers Identified

Montana's overall regulatory framework for transmission planning, permitting, determining benefits and cost allocation is not well defined, lacks certainty, and is slow—hindering the state's ability to attract investment in critical infrastructure. Modern transmission upgrades and increased transmission capacity are essential to ensure reliability and resilience for consumers and to connect Montana's electric grid to regional markets. Improved connectivity can promote economic growth, reduce energy costs, and support environmental and other policy goals.



Colstrip Power Plant

- There are no existing processes or established benchmarks related to an IOUs adoption of a market and treatment of associated costs—such costs can be substantial. Note: This applies to only NWE, as electric co-ops, BPA, and MDU are in different situations or have different regulatory regimes.
- Montana does not have an energy policy or clearly established regulatory policies that speak to the importance and potential benefits/drawbacks of existing and expanding regional electricity markets, including real-time and day-ahead.
- It is not clear that the PSC has been appropriately engaged in regional developments related to day-ahead markets/RTOs relative to our peer states operating in the WECC.
- Montana needs adequate transmission access to the electricity markets that are forming in order to realize the benefits of those markets. Transmission is constrained and costs to develop interregional transmission are a significant barrier for utilities (perhaps especially regulated utilities).
- It is difficult for individual states and utilities to communicate the value of interregional transmission and market participation to regulatory agencies.

Recommendation

The executive should advance efforts to better educate the public, decision-makers, and energy sector stakeholders about electricity markets in which Montana utilities currently participate, as well as the implications of market participation for utility operations, transmission planning, grid reliability, consumer costs, and future energy decision-making in Montana.

Rationale

Montana would benefit from a more structured and transparent approach to market education, benchmarking, and public engagement so that decision-makers and stakeholders have access to clear, credible information when considering market-related decisions. Reviewing how other states approach public engagement, state participation in market and RTO discussions, and communications around market decisions could also help Montana identify best practices for informing future policy discussions and stakeholder outreach.

Key Strategies

1. Draft plain language educational materials explaining electricity markets in general, the evolution of western electricity markets and what joining a day-ahead market or RTO means for Montana. Include information on what markets Montana utilities participate in today, how market participation affects utility operations and consumers, and the relationship between markets, reliability, and transmission.
2. Create a consistent public engagement framework for market participation decisions. Develop a template or process for public communication and stakeholder outreach when utilities or the state are evaluating market participation, regional transmission, or other related initiatives.
3. Benchmark how other states educate the public and engage in market and RTO-related policy discussions. Review approaches used by other western states to inform public understanding, support decision-making, and communicate the role of the state in market participation and transmission planning. (e.g., Nevada and Colorado)
4. Clarify the state's role in communicating and evaluating market-related decisions. Identify how state agencies, the legislature, the PSC, utilities, and consumer advocates should participate in public education, stakeholder engagement, and policy discussions related to regional planning efforts in the West.

Recommendation 3D, Montana Facility Finance Authority

Worksheet developed by Generation Work Group

Initial Challenge Identified (Problem Statement)

BPA's access to capital to build new transmission is limited and its federal borrowing authority is projected to be fully allocated by the mid-2030s, creating a potential financing gap for transmission upgrades and new lines critically needed in Montana.

Unique Barriers Identified

- BPA's federal Treasury borrowing authority is currently statutorily capped at $17.7 billion and BPA forecasts it will exhaust this line of credit by the mid-2030s, constraining its ability to finance new Montana transmission projects.
- Montana currently has no designated state entity explicitly authorized to serve as a conduit issuer for BPA transmission financing, unlike neighboring Idaho and newly enacted Washington state authority.
- WestTEC's 10-year study identifies significant transmission upgrade and new build needs in Montana, including along electrical paths predominantly controlled by BPA, with no clear state-level financing mechanism to accelerate them.
- Montana's MFFA was expanded in the 2025 legislative session to include energy projects and increased its biennial bond issuance cap to $1.5 billion but has not yet been explicitly directed toward BPA transmission partnership opportunities.

Recommendations

The legislature should authorize a state energy authority or executive-led entity to coordinate with the MFFA to facilitate conduit financing for qualifying federal transmission projects, with BPA as a primary partner, strengthening Montana's role in selecting and underwriting transmission priorities:

1. The legislature should support raising MFFA's lending cap to accommodate energy infrastructure projects and consider an exemption for federal transmission projects (e.g., BPA).
2. The governor should direct DEQ-MFFA collaboration to enable and vet transmission projects and seek legislative endorsement of that collaboration in a manner that leverages project-borne administrative funding.

Rationale

BPA finances transmission capital primarily through federal Treasury debt and non-federal contract-backed debt issued by third-party conduit issuers. To date, three conduit issuers have financed over $2 billion of BPA transmission—a private infrastructure fund, the state of Idaho's energy authority, and a Columbia River port authority in Oregon. Montana's 2025 Senate Bill 104 expanded MFFA's authority to include energy projects and raised its bond issuance cap to $1.5 billion, laying the groundwork for Montana to join Idaho and Washington as states capable of serving this conduit role. Because BPA operates as a transmission monopoly with strong federal sovereign backing—carrying credit ratings of AA (Fitch), Aa2 (Moody's), and AA- (S&P)—partnering with BPA as a conduit issuer represents a relatively low-risk proposition for the state. This mechanism would not require Montana to own, develop, or operate transmission assets; the state's role is limited to conduit financing, with BPA remaining the constructor, operator, and transmission service provider.

Key Strategies

1. Pursue legislation explicitly directing a state energy authority or executive-led entity to coordinate with MFFA to provide conduit financing for qualifying BPA transmission projects in Montana.
2. Evaluate whether MFFA's current $1.5 billion biennial bond issuance cap is sufficient or whether an increase is warranted to accommodate priority transmission projects identified in the WestTEC study.
3. Engage BPA on specific Montana transmission projects suitable for conduit financing partnerships, consistent with BPA's existing lease-purchase agreement model.
4. Consult the WAPA and its preference customers regarding financing structures appropriate to WAPA's distinct capital access model, which relies more heavily on customer pre-payment and reimbursable congressional appropriations than the conduit issuer approach.
5. Coordinate with the Growing Demand Work Group and the Interconnection Work Group on transmission needs related to large load growth and new generation development.

Possible Challenges and Outcomes

MFFA's existing bond issuance cap may require adjustment to accommodate significant transmission projects, requiring additional legislative action. Federal program requirements and BPA's project prioritization process may also constrain which Montana projects qualify for conduit financing. However, successful implementation could accelerate critical transmission upgrades identified in the WestTEC study, strengthen Montana's influence over BPA transmission investment decisions affecting the state, and provide a replicable financing model for future federal-state energy infrastructure partnerships.

Worksheet 4: Drive Economic Development

Recommendations 4A, Matchmaking Role; 4B, Promote Customer Choice

Worksheet developed by Growing Demand Work Group

Initial Challenge Identified (Problem Statement)

Uncertain market conditions, unpredictable energy environment due to wholesale supply uncertainty, fluctuating prices, taxes, and a fragmented or inefficient market structure.

Unique Barriers Identified

- Montana is a small, transmission-constrained market, without a central 'matchmaking' function for the sale and purchase of energy in a state that has more competition than its neighbors.
- Wholesale electricity supply prices in Montana have risen in the recent past, similar to what the rest of the country is experiencing.
- The lack of clarity in Montana regulatory policy on customer choice and interconnection policy leads to underinvestment.

Recommendations

1. The Executive Branch could play a matchmaking role through RFIs in power generation and utility equipment in the state by taking proactive measures to line up buyers and sellers, and by attracting DOE support.
2. The Executive Branch and legislature should facilitate education and engagement in decisions relating to the state's participation in regional energy markets, such as RTOs.
3. State agencies, such as Commerce, could take a greater role in the promotion of customer choice in Montana's electricity sector.

Rationale

With the Executive Branch facilitating a matchmaking role, an RFI would provide an opportunity both for suppliers and customers to identify their needs and see whether, in aggregate, long-term contracts and new power generation are commercially supportable. A successful RFI could germinate a more formal, financially binding "open season" to secure to customers more stably priced power supply for a longer tenor, while promoting capital spending in power generation that relies on longer-term offtake commitments. It is conceivable given the interests of the federal government that backstop support from DOE, similar to the kind of terms available under other loan programs for power generation, may be available.

Montana lacks an RTO in the western part of the state, which would typically facilitate liquidity in energy trading and opportunities for capital formation in new and uprated power generation, especially in places that have customer choice and a variety of smaller utilities like Montana. The lack of an RTO also means there is no uniform and binding resource adequacy standard, which exists in both the MISO and SPP markets that operate in the eastern part of Montana. Taken together, these factors result in fewer commercial products, fewer counterparties, and generally shorter tenors for energy sales and purchases in the open market. By facilitating engagement, and possible membership in an RTO, customers both large and small could expect to see lower electricity costs, better reliability, more efficient development of transmission, and more reliance on regional generation.

The Executive Branch could take an active third-party role in the promotion and development of customer choice for new large users to be able to facilitate new development of generation. By creating a framework promoting the development of necessary infrastructure, new generation and new load will de-risk their investments to some extent and speed their time to development. Note: see Growing Demand Worksheet on regulatory uncertainty, related to **Recommendation 1A**.

Key Strategies

1. RTO Membership
    a. The Executive Branch should actively participate in regional discussions where other state policymakers are present concerning the design and formation of regional energy markets, including RTOs, and be ready to assist market participants who wish to join an RTO but face governmental or regulatory barriers.
2. Matchmaking Role
    a. The Executive Branch could issue RFIs for long-term supply and offtake commitments from existing and new power generation in or deliverable to the state to support legacy choice loads and growing demand, potentially with technical support resourced from U.S. DOE. This would provide an opportunity both for suppliers and customers to identify their needs and see whether, in aggregate, long-term contracts and new power generation are commercially supportable. In a similar way, the Executive could help coordinate electric cooperative and investor-owned utility equipment purchases through a joint procurement process. Coordinated purchases could expand buying power and allow for more favorable commercial terms by sellers.
3. Promotion of Customer Choice
    a. The Executive Branch and state agencies could actively promote customer choice for new, large users of energy by supporting long-term Power Purchase Agreements directly from energy producers; facilitating local economic development of industrial parks so that large users have access to transmission and infrastructure; and, helping to create procurement frameworks through open solicitations and standardized bidding platforms.
    b. The Montana legislature could further develop targeted incentives through tax policy changes and investment of infrastructure support.

Possible Challenges and Outcomes

Matchmaking roles driven by the state of Montana could show some degree of favoritism, could undermine competitive markets (such as RTOs), and could blur the line between regulators and operators. This role would also be very complex and would need clear sideboards and outcomes to be successful.

RTO membership will give up some local control of generation and transmission to the organization. It should be noted that RTOs/markets also have challenges and do not solve all issues, as is clear in operating RTOs. Although there would be more stability, there is the potential for Montana energy prices to rise to the level of other neighboring states.

Promotion of customer choice encouraging new additions in this space without addressing the transmission and supply constraints will only increase the pressure on the transmission system and Montana's traditional industrial choice customers, who may have less ability to adapt to new market conditions.

Recommendation 4C, Clarify Utility Service of Large Loads

Worksheet developed by Growing Demand Work Group

Initial Challenge Identified (Problem Statement)

- Regulatory complexity and slow administrative processes
- Unclear and slow regulatory processes including utility interconnection procedures, PSC approvals, environmental permitting, and rules governing customer choice

Unique Barriers Identified

- The process for Montana's largest utility to propose and obtain regulatory approval for a tariff to serve new large loads is not clear.
- It is difficult to develop additional baseload generation, including facilitated permitting of natural gas, small modular nuclear generation, and advanced coal generation technologies.
- It is difficult to develop and obtain cost recovery on increased transmission capacity.
- The state of retail competition in Montana contains open questions, according to some parties.
- There is a lack of confidence in the state's elected public service commissioners and their ability to efficiently and professionally handle the business before the PSC.

Recommendations

1. Reduce regulatory barriers to new generation and transmission development
2. Promote certainty in the utility regulatory process at state and federal levels
3. Advance policies supporting customer choice for large energy users in Montana
4. Support restructuring of the PSC.[1]

Rationale

- Other states as well as Alberta have a clearer policy at this point, and indeed other utilities that have operations in Montana, such as MDU, have established processes to incorporate new large loads to the grid and obtain supply.
- Generation and transmission development in Montana has been limited in recent years compared to neighboring states with similar resources and political environments.
- While new customers have previously been allowed to take service from competitive suppliers in the NWE service territory, the utility has periodically questioned this understanding of the customer choice statutes. Meanwhile, it is unclear whether NWE itself may serve new large customers absent ad hoc PSC approvals to do so, or whether the utility through an unregulated affiliate may serve customers on a merchant basis outside PSC regulation.
- A view that the regulatory commission will not act in predictable ways is not conducive to long-term investments in a jurisdiction.

1 NWE and the Large Customer Group (LCG) did not take a position on this recommendation or participate in this discussion.

Key Strategies

1. The governor and legislature should consider legislation to further reduce regulatory barriers to new generation and transmission, including by:

    a. further expediting permitting for generation; and,
    b. helping coordinate state, federal, tribal, and local stakeholder consideration of proposed transmission systems to expedite regulatory approval and development.

2. The Executive Branch should consider taking steps to promote certainty in the utility regulatory process at both the state and federal level by:

    a. intervening in the NWE tariff proceeding for new large loads before the PSC, with the dual purpose of expediting the interconnection of these customers, regardless of their supplier; and, ensuring all legacy customers are protected by ensuring that new large customers cover the costs that they cause a utility to incur.

3. The Executive Branch should create policies or support new legislation on customer choice in Montana, such as:

    a. the utility also being able to serve new loads larger than 5 MWs in size (while maintaining the option for choice for these customers);
    b. the process for a utility to serve those new large loads, i.e. what approvals are needed and under what standard;
    c. an opportunity for large loads to switch from service by the utility to another supplier, but only provided there is protection (e.g. a payment of some exit fee and time horizon) for the utility and for existing customers to prevent the rate-payers bearing the cost any investment in regulated assets made to serve a new large load customer who had agreed to be served by utility, but who subsequently switched to another supplier; and,
    d. ensuring that the same entity may have meters that are served by different suppliers, subject to appropriate parameters.[1]

4. The Executive Branch and legislature could support restructuring the Montana PSC to improve regulatory efficiency, transparency, and consistency in decision-making.[2]

Possible Challenges and Outcomes

- The reduction of regulatory barriers to new generation and transmission could weaken oversight if projects are approved too quickly or without rigorous review.
- Promoting certainty in utility regulation could limit the PSC's ability to adapt to changing market conditions, new technologies, or unexpected cost shifts.
- PSC reform could be seen as an undermining of citizens' will in the election of representatives, reducing trust that decisions are being made in the best interest of customers rather than political priorities.

1 NWE would add another bullet point: "clearly defining resource adequacy requirements for choice loads" to this list. The LCG disagrees. No consensus was reached, though it was discussed.

2 NWE and the LCG took no position on this recommendation.

Recommendation 4D, Utility Resource Procurement for Large Load

Worksheet developed by Generation Work Group

Initial Challenge Identified (Problem Statement)

Uncertainty regarding how large electric loads are served in Montana creates investment risk and slows development of new generation and infrastructure.

Unique Barriers Identified

- Current laws, policies, and tariffs could benefit from clarifying service obligations, customer choice participation, or ratepayer protections for large loads.
- Utility planning and procurement processes may not respond quickly enough to large new electricity demands.
- Stakeholders hold differing views regarding how existing law applies to loads greater than 5 MW.

Recommendation

Clarify through legislation and regulation how utilities and independent power producers and marketers may serve large loads, including rules for customer choice participation, resource adequacy, and customer protections. Create a more efficient regulatory process to support timely development of generation and infrastructure needed to serve large new loads, including through an expedited PSC approval track (amend 69-8-421, MCA) that shortens review timelines to 120 days with a 60-day extension cap, allows resource pre-approval and large load service requests to proceed on parallel dockets, and assigns 100% of incremental resource costs to the large load customer rather than the general ratepayer base.

Rationale

Montana's customer choice framework can help attract large industrial customers and support economic development. However, uncertainty regarding service obligations, procurement requirements, and resource adequacy creates investment risk for utilities, developers, and customers. Clearer laws, tariffs, and regulatory processes could improve investment confidence, accelerate infrastructure development, and help maintain reliable and affordable electric service as demand grows.

Key Strategies

1. Clarify which entities may serve large loads and under what conditions
2. Define clear rules for customer choice participation, resource adequacy, and cost responsibility
3. Evaluate updates to statutes, tariffs, and regulatory processes related to large-load service
4. Coordinate with the Growing Demand Work Group on large-load recommendations

Possible Challenges and Outcomes

Stakeholders hold differing views regarding customer choice and service obligations for large loads. However, greater regulatory clarity could improve investment confidence, support economic growth, and encourage development of new generation and infrastructure.

Recommendation 4E, Regulatory Certainty; 4F, Federal Coordination; and 4G, Demand Flexibility

Worksheet developed by Growing Demand Work Group

Initial Challenge Identified (Problem Statement)

- Limited demand flexibility
- Insufficient mechanisms for demand flexibility, backup generation, and service options deter the utilities and large customers to bring on large new customers

Unique Barriers Identified

- Montana lacks some of the key regulatory provisions to unlock the value of backup generation and demand response as a source of resource adequacy.
- Demand flexibility has been acknowledged as a key consideration in "speed to power" for new large loads in the country, but in Montana regulatory policy is not well defined in the space.

Recommendations

1. Encourage adoption of flexible utility pricing and demand response approaches that allow large customers to reduce or shift electricity use in ways that support grid reliability and lower system costs.
2. Support regulatory and federal coordination that improves how new large energy loads connect to the grid while maintaining fairness for existing customers.
3. Promote programs that strengthen demand response and energy efficiency by better valuing flexible demand and compensating customers for reducing peak electricity needs.

Rationale

Given the generation shortfalls that have sometimes characterized the regional system (e.g. winter of 2021) and the lack of baseload generation in Montana, encouraging flexible demand to avoid involuntary, across-the-board power cuts is important.

MISO and SPP have made progress with "connect and manage" approaches to large loads, complemented in MISO's case by MDU's retail demand response tariff. NWE's transmission tariff requires curtailment of choice customers that do not have firm capacity, but this does not seem to be configured in such a way as to allow new customers to take a non-firm or interruptible transmission service in exchange for "speed to power."[1]

Key Strategies

1. The Executive Branch could take a variety of steps to encourage demand flexibility and "speed to power" purposes.

    a. Correspond with EPA and DOE to ensure that during situations of EEA2 and beyond that duration- or run-time-limited backup generation is available for grid emergencies.

1 NWE would add a final sentence: "Further, the current design may not meet the requirements of resource adequacy programs such as WRAP or the programs that are part of any future RTO."

b. Ensure that any RTO allows demand response to count for resource adequacy standards and is otherwise a resource that can be commercially traded in the market[1] (see **Worksheet 4: Drive Economic Development Recommendation 4A, Matchmaking Role**).
c. Encourage that any approach authorized by FERC in response to the DOE proposal for the interconnection of large loads allows for "connect and manage" approaches for unbundled, choice customers of utilities that do not belong to RTOs and that these approaches do not harm existing customers.

2. Utilities should be encouraged by governor or legislature to adopt tariffs similar to those already adopted by one utility doing business in Montana for demand response.

3. The governor and legislature could incentivize energy efficiency by providing adequate monetary compensation similar to the cost of power through USB funding or another authorization.

Possible Challenges and Outcomes

Regulatory and federal coordination challenges: aligning state actions with EPA, DOE, and FERC rules—or with potential RTO market standards—can be slow, uncertain, and subject to conflicting jurisdictional requirements.

Reliability and resource adequacy concerns: overreliance on demand response or interruptible loads may create uncertainty about actual available capacity during peak or emergency conditions if customer participation is inconsistent.

Worksheet 5: Right-size Energy Tax Framework

Recommendation 5A, Energy Tax Framework

Worksheet developed by Generation Work Group

Problem Statement

The treatment of energy infrastructure under existing tax frameworks—and the uncertainty regarding the eligibility for abatements—can create barriers to long-term capital investment and infrastructure development. These uncertainties may limit Montana's ability to remain competitive for new investment and maintain its role as a reliable, all-of-the-above energy producer and exporter. Current tax policy may also put Montana at a competitive disadvantage relative to neighboring states.

Recommendation

The legislature should be mindful of Montana's tax policies and their influence on energy infrastructure and should ensure those policies encourage investment in electric transmission, natural gas infrastructure, and energy generation and storage. The legislature should consider whether a long-term, technology-neutral tax abatement structure—potentially of up to 20 years—could be appropriate for qualifying energy generation, transmission, interconnection, storage, and other critical infrastructure. A legislative or executive task force should evaluate existing tax structures and recommend changes that promote fairness, investment, reliability, and long-term economic growth.

1 NWE would rewrite this to say: "Encourage any resource adequacy program to allow demand response to count for resource adequacy standards and ensure that the demand response program design meets the requirements of that program. Further design consideration should be given to developing the demand response program to result in resource that can be commercially traded in the market."

Rationale

Large-scale energy infrastructure requires substantial upfront capital and long development timelines. High or unpredictable tax treatment raises financing costs and shifts investment to competing states. A modernized, technology-neutral framework would:

- improve investment certainty and attract capital across all energy types;
- support grid modernization, reliability, and resource adequacy;
- promote economic development and long-term tax base growth; and,
- reinforce Montana's role as a competitive energy producer and exporter.

Key Strategies

1. Compare Montana's energy tax rates with neighboring states and identify gaps in competitiveness.
2. Reevaluate abatements under 15-24-3101 through 15-24-3111, MCA, to reflect current energy needs.
3. Evaluate whether a long-term abatement framework (potentially up to 20 years) could be appropriate for generation, storage, transmission, and interconnection investments.
4. Ensure any future policy changes are implemented in a manner that provides predictability, supports continued infrastructure investment, and preserves pro-growth policy.
5. Convene a task force to recommend statutory or regulatory changes consistent with this framework.

Possible Challenges and Outcomes

Key challenges include potential revenue impacts for the state and local governments, complexity in defining eligible infrastructure, and limited political appetite for reopening tax policy discussions.

If implemented, the framework is expected to increase capital investment and job creation, strengthen grid reliability, and position Montana competitively for long-term energy infrastructure development.

Worksheet 6: Build Innovative, Reliable Power Supply

Recommendation 6A, Geothermal Energy

Worksheet developed by Generation Work Group

Initial Challenge Identified (Problem Statement)

Market and regulatory uncertainty weakens long-term investment signals and undermines reliable, least-cost energy service. Montana also lacks a clear statewide energy strategy and coordinated executive leadership to guide long-term infrastructure development, regional market participation, and energy investment.

Unique Barriers Identified

- Montana lacks a coordinated statewide energy policy and long-term infrastructure strategy.
- The state faces challenges developing large-scale electric transmission and natural gas infrastructure projects.
- Regulatory uncertainty exists regarding geothermal permitting, resource ownership, and development rights.
- Complex interactions between surface rights, mineral rights, and water rights create legal uncertainty.
- Limited investment capital and exploration risk constrain early-stage geothermal development.

Recommendation

1. Develop a geothermal energy policy and permitting framework to support commercial development of geothermal resources in Montana. This includes:

    a. streamlining permitting processes and reducing duplicative reviews;
    b. clarifying ownership and regulatory treatment of geothermal heat resources;
    c. resolving jurisdictional conflicts between surface, mineral, and water rights;
    d. coordinating state agencies (DEQ, DNRC, MBMG) on geothermal permitting and resource assessment;
    e. supporting federal coordination mechanisms such as FAST-41 where appropriate; and,
    f. encouraging partnerships with industry developers and regional energy buyers.

Rationale

Geothermal energy represents a promising firm, low-carbon energy resource with strong potential in Montana due to favorable geology and regional demand for clean energy. Unlike other emerging technologies, geothermal has strong bipartisan support and can provide relatively near-term firm capacity if exploration and permitting risks are reduced. A clear regulatory framework can reduce investment uncertainty, attract private capital, and enable Montana to participate in regional clean energy markets.

Key Strategies

1. Clarify legal frameworks for geothermal resource ownership and development rights.
2. Streamline permitting processes and eliminate unnecessary duplicative reviews.
3. Coordinate MBMG research with private-sector exploration and development efforts.
4. Strengthen partnerships with regional off-takers seeking firm, carbon-free energy.
5. Improve coordination among state agencies to accelerate project development timelines.

Possible Challenges and Outcomes

Geothermal development faces exploration risk and upfront capital requirements. However, it has broad public acceptance, strong regional market interest, and potential for scalable clean firm energy development that supports long-term grid reliability.

Recommendation 6B, Nuclear Energy

Worksheet developed by Generation Work Group

Initial Challenge Identified (Problem Statement)

Market and regulatory uncertainty weakens long-term investment signals and undermines reliable, least-cost energy service. Montana also lacks a clear statewide energy strategy and coordinated executive leadership to guide long-term infrastructure development, regional market participation, and energy investment.

Unique Barriers Identified

- Montana lacks a coordinated statewide energy policy and long-term infrastructure strategy.

- The state faces challenges developing large-scale electric transmission and natural gas infrastructure projects.
- Montana has limited experience establishing effective public-private partnerships for major energy investments.
- Nuclear development faces long lead times, high capital costs, and complex federal regulatory requirements.
- There is no clear framework for nuclear siting, permitting coordination, workforce development, or long-term waste and safety planning in the state.

Recommendation

1. Develop a state policy framework to support nuclear energy development in Montana as part of a diversified energy portfolio. This includes:

    a. establishing clear regulatory pathways for nuclear development in coordination with federal authorities;
    b. creating "nuclear-ready community" designation criteria;
    c. developing workforce training pipelines through Montana's Registered Apprenticeship Program as well as university, community college, and tribal college systems;
    d. establishing appropriate tax classification structures for nuclear facilities;
    e. coordinating state agencies (including DPHHS and DEQ) on nuclear-related regulatory and safety issues; and,
    f. supporting federal coordination efforts for long-lead nuclear development.

Rationale

Montana will require significant new firm, dispatchable generation resources to maintain reliability following the retirement of Colstrip and to serve projected demand growth from industrial development, data centers, and electrification.

Nuclear energy represents a potential long-term baseload resource capable of providing reliable, carbon-free generation. However, deployment requires early policy clarity due to long development timelines, high capital intensity, and regulatory complexity.

A structured state framework can improve investment certainty, support workforce development, and position Montana to evaluate nuclear energy as a long-term reliability resource.

Key Strategies

1. Align state planning with federal nuclear regulatory processes—including Nuclear Regulatory Commission (NRC).
2. Develop nuclear workforce education and training programs in partnership with the State Workforce Innovation Board, the Montana University System, tribal colleges, and local school districts.
3. Establish "nuclear-ready community" designation criteria to support local planning and siting readiness.
4. Evaluate tax policy structures to appropriately classify nuclear generation investments.
5. Support public engagement and education to ensure informed decision-making on nuclear development.

Possible Challenges and Outcomes

Public concern regarding nuclear energy development will require proactive engagement and education. Nuclear development will also require substantial capital investment and long lead times. However, it may provide long-term firm capacity, improved system reliability, and reduced dependence on imported energy.

Worksheet 7: Optimize Grid Utilization & Control Consumer Energy Costs

Recommendation 7A, Energy Efficiency Investments

Worksheet developed by Generation Work Group

This recommendation was developed by DEQ in consultation with Task Force members at May 20 and July 8 Task Force meetings. A worksheet was not utilized to establish this recommendation.

Recommendation 7B, Distributed Energy Resources

Worksheet developed by Generation Work Group

Initial Challenge Identified (Problem Statement)

DERs—including battery storage, rooftop and community solar, managed EV charging, demand response, and microgrids—are underutilized in Montana despite offering faster deployment than large-scale generation and transmission upgrades in many applications. Montana's early stage of DER adoption presents a timely opportunity to shape deployment strategies proactively.

Unique Barriers Identified

- DER expansion is constrained more by administrative, planning, and interconnection barriers than by technology costs.
- Investor-owned utility financial structures primarily incentivize large capital infrastructure investments over DER alternatives.
- Interconnection practices, timelines, and available resources vary across utility service territories, creating inconsistent access statewide.

Recommendations

The legislature should direct state agencies and utilities to plan for the long-term integration of distributed energy resources with focus on grid resiliency, resource adequacy, and individual customer choice.

1. The legislature should pursue legislative changes to allow increased investment in customer-side generation, including the Montana Solar Shares Act and community solar frameworks, through the Energy and Telecommunications Interim Committee (ETIC).
2. The executive should establish agency leadership and governance structures to support long-term DER planning.
3. The DEQ Energy Bureau should engage utilities, workforce representatives, national laboratories, universities, local governments, and tribal governments to identify targeted DER deployment opportunities with priority given to battery storage in geographically vulnerable communities.

4. The legislature should study the feasibility, benefits, and regulatory considerations of aggregated customer-side resources and VPPs to reduce peak demand and improve utilization of existing transmission and distribution infrastructure.

Rationale

Proactive DER planning will enable Montana to integrate these resources in a predictable and transparent manner as electricity demand and infrastructure pressures grow. DERs can contribute to grid resiliency and resource adequacy while expanding individual customer energy choice.

Key Strategies

1. Pursue the Montana Solar Shares Act and community solar legislation through ETIC.
2. Establish executive agency governance structures for long-term DER planning.
3. Engage stakeholders to identify targeted DER deployment opportunities statewide.
4. Prioritize battery storage in geographically vulnerable communities.
5. Streamline small-generator interconnection requirements and timelines.
6. Study VPP feasibility and regulatory considerations.
7. Coordinate with the Growing Demand Work Group on DER contributions to resource adequacy.

Possible Challenges and Outcomes

Previous solar shares legislation was vetoed; new legislation will need to address PSC authority limits, aggregate capacity limits, and interconnection process requirements. Investor-owned utility financial structures reduce incentives to evaluate or invest in DER alternatives. Inconsistent interconnection practices across utility service territories create uneven statewide access.



Commercial solar array in Missoula, Montana

Improved grid resiliency and resource adequacy through distributed resources is a possible outcome. Also, faster and more predictable interconnection processes for small generators, strategic deployment of backup power in geographically vulnerable communities, greater consumer participation and individual customer energy choice, and a mature statewide DER planning structure aligned with Montana's all-of-the-above energy strategy.

APPENDICES

Appendix A: Executive Order No. 6-2025

Executive Order No. 06-2025 is available online through the Governor's Office.

STATE OF MONTANA
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER No. 6-2025

EXECUTIVE ORDER CREATING THE ENERGY ADVISORY COUNCIL

WHEREAS, the prosperity of Montanans depends upon access to affordable and reliable energy supplies;

WHEREAS, energy resources developed in Montana have long powered Montana homes, businesses, and industries with reliable, low-cost energy;

WHEREAS, Montana has a long history of responsibly developing energy resources while protecting our environment;

WHEREAS, Montanans, and all Americans, struggled with historic inflation in 2021 and 2022 and its ongoing impact, with consumers paying more for life's necessities;

WHEREAS, since the cost of energy directly impacts the cost of all goods, increasing the supply of affordable, reliable energy makes life more affordable for Montanans and all Americans;

WHEREAS, rapid advances in technology, including cutting-edge innovation in the artificial intelligence sector, and shifting market forces are driving increased demand for energy;

WHEREAS, with those emerging, energy-intensive industries, servicing new energy loads should not adversely impact Montanans, and should be pursued as a path to new good-paying jobs, growing Montana's tax base, and attracting innovation in the advanced technology and energy sectors;

WHEREAS, with its diverse energy resources and its abundant energy potential, the State of Montana follows an all-of the-above approach to energy, supporting the expansion of energy production in every sector and avoiding market distortions by not picking winners and losers in the energy sector;

WHEREAS, Montana's energy portfolio includes abundant, diverse resources, including coal, oil, natural gas, hydropower, wind, and solar;

WHEREAS, coal remains an essential element of Montana and our energy portfolio, with Montana accounting for about 5 percent of the nation's coal production and Montana's coal-fired power plants representing 37 percent of in-state electricity generation;

WHEREAS, vast potential remains for the responsible development of fossil fuels in Montana, with Montana having substantial deposits of crude oil and natural gas and the largest estimated coal reserves in the United States, approximately 30 percent of the nation's total;

WHEREAS, Montana in 2024 ranked 10th among states with the largest share of electricity generated from renewable energy sources, about 57 percent, according to the U.S. Energy Information Administration;

WHEREAS, vast potential remains, too, for the responsible development of renewable, efficient, and flexible resources in Montana, including building upon the state's history of effective hydropower and expanding solar and wind power;

WHEREAS, investments in reliable transmission infrastructure, and emerging energy technologies, including advanced nuclear modular reactors, energy storage, and geothermal, could further diversify Montana's energy portfolio and boost the dependable delivery of energy to customers;

WHEREAS, Montana energy producers and consumers should have greater certainty in the market, stable delivery systems for electricity, efficient permitting and regulatory systems, and an end to frivolous litigation designed to delay or thwart responsible, environmentally-sound energy development;

WHEREAS, it is in our nation's best interest to be not only energy independent but also energy dominant, avoiding a reliance on our nation's adversaries for energy, and given our outstanding energy potential, Montana has a clear role to play to advance that national interest;

WHEREAS, recognizing the need for American energy dominance, President Donald J. Trump has directed federal agencies to unleash America's energy resources by supporting the development of natural resources and generation of affordable, reliable electricity, including through the development of interstate energy transportation and critical energy infrastructure;

WHEREAS, the State of Montana strongly supports President Trump's efforts toward energy dominance, and also recognizes that Congress must enshrine these policies into law so that future administrations may not undermine them through subsequent executive order, as previous presidential administrations have done to effectively shut down energy development and to create carveouts for some energy resources while punitively targeting others;

WHEREAS, Montana stands ready to work with the private sector, local and tribal governments, and federal partners to advance new energy development; and,

WHEREAS, increasing access to affordable and reliable energy is in the best interest of Montana citizens and job creators.

NOW, THEREFORE, I, GREG GIANFORTE, Governor of the State of Montana, pursuant to the authority vested in me under the Constitution, Mont. Code Ann. § 2-15-122 and any other applicable statutes, do hereby authorize the creation of the Energy Advisory Council, also known as the Unleashing American-Made Energy Task Force ("Task Force"), and order as follows:

PURPOSE

The Task Force shall provide the Governor with short- and long-term recommendations and strategies for Montana to increase the supply of affordable and reliable energy options.

In developing recommendations and strategies, the Task Force shall seek input from Montana citizens, large energy consumers, energy and transmission developers, utilities and rural electric cooperatives, members of the Montana Legislature, associations whose members are impacted by energy policy, advisory groups and researchers focused on energy supply and affordability, and other appropriate stakeholders as determined by the Task Force.

COMPOSITION

The Task Force shall consist of up to 20 members who shall be appointed by and serve at the pleasure of the Governor.

The Director of the Department of Environmental Quality shall serve as the presiding officer of the Task Force.

The Task Force shall include, but not be limited to, persons from the following categories:

- members or staff of professional associations representing business, industry, and workers;
- members of staff or representatives of electric utilities and rural electric cooperatives;
- state agency directors, or their designees, including from the Department of Environmental Quality and the Department of Commerce;
- elected officials, including state legislators and leaders from local jurisdictions;
- members of state boards, councils, and commissions;
- subject matter experts and researchers; and
- stakeholders.

The Department of Environmental Quality shall provide administrative support for the Task Force.

Given the diverse composition of the Task Force, meetings may be conducted in person throughout the state and/or remotely as determined by the presiding officer.

REPORT

By September 15, 2026, the Task Force shall provide an initial written report to the Governor with recommendations and strategies to unleash American-made energy in Montana, specifically focusing on measures the Governor could immediately implement and those the Legislature could consider and the Governor could sign into law.

The Task Force's report shall identify federal, state, regulatory, and other governmental policies that inhibit or limit increasing affordable and reliable energy supply.

TERMINATION

The Task Force shall cease to exist on September 30, 2027, unless rescinded earlier or renewed by subsequent executive order.

COMPENSATION

Council Members shall be entitled to reasonable travel expense reimbursement under Mont. Code Ann. 2-15-122.

THIS ORDER is effective immediately.

GIVEN under my hand and the GREAT SEAL of the State of Montana this 10th day of September 2025.

GREG GIANFORTE, Governor

ATTEST:

CHRISTI JACOBSEN, Secretary of State

Appendix B: Montana Speed to Power RFI Response

An alternative format of the **Montana Speed to Power RFI Response** can be requested on DEQ's website.

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DEQ
Montana Department of Environmental Quality

November 21, 2025

David Parsons, Deputy Director
Grid Deployment Office
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Delivered via email to: speedtopowerrfi@hq.doe.gov

Subject: Governor Gianforte's Unleashing American Energy Task Force Response to U.S. Department of Energy Speed to Power Request for Information

Institution:	Governor Gianforte's Unleashing American Energy Task Force
Contact:	Sonja Nowakowski, Director of the Montana Department of Environmental Quality
Address:	PO Box 200901, Helena, MT 59620-0901
Phone:	(406) 444-2544
Email:	sonja.nowakowski@mt.gov
Institution Focus:	Montana Energy Policy

Dear Deputy Director Parsons:

On behalf of Montana Governor Greg Gianforte's *Unleashing American Energy Task Force*, the Montana Department of Environmental Quality (DEQ) is pleased to submit this response to the U.S. Department of Energy (DOE) Speed to Power Request for Information (RFI). As Director of DEQ, I am serving as the Governor's appointed chair of the Unleashing American Energy Task Force. Composed of energy sector industry leaders and state policy makers, the Task Force was convened in September 2025 with an objective to accelerate the development of affordable and reliable energy supplies in Montana. In November, the Task Force agreed to share its response to the RFI, noting the importance of this opportunity. See Attachment A for a roster of Task Force members.

The Task Force applauds Secretary Wright's pursuit of strategies to rapidly expand energy generation and transmission grid capacity and appreciates the opportunity to respond to the RFI. Montana has long-standing partnerships with DOE and looks forward to building on those partnerships to deliver on shared goals.

DEQ's Energy Bureau serves as Montana's DOE-recognized state energy office and leads the state's participation in utility and regional energy supply and transmission planning activities, energy security planning and incident management, and implementation of flow-through DOE

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grant and loan programs, including the Grid Resilience State and Tribal Formula Grant Program. DEQ is also engaged in energy development across all sectors in its regulatory capacity, and through its balanced implementation of permitting and regulatory programs, DEQ enables the timely development of new energy resources, while ensuring that development is protective of human health and the environment.

The Task Force vice chair is Marta Bertoglio, Director of the Montana Department of Commerce. The Department of Commerce actively supports the development of new energy infrastructure and business investment in Montana, including energy-intensive manufacturing, AI computing and data center infrastructure.

1. Montana Power Sector Challenges (Sections 4 and 5)

Montana is confronting many of the same power sector challenges developing across the west and nationwide, including:

- Quickly emerging advanced technology and digital infrastructure development requiring significant new energy supply.
- Limited and constrained transmission capacity.
- Interconnection backlogs for new loads and generation which in many cases will require significant transmission buildout to support.
- Affordability concerns exacerbated by rising energy costs.
- Reliability risks driven by extreme weather events and regional replacements of firm, high-capacity factor resources with intermittent resources.

Montana also faces challenges similar to other states and regions that lack centralized institutions like Regional Transmission Organizations and Independent System Operators that stitch together different forms of planning and investment in the power sector through a single institution. These are challenges that the Speed to Power Initiative may be positioned to address.

Similarly, the Initiative could be uniquely powerful in parts of the country that have major bulk power system seams. These "seams" regions often have forms of a distinctive collective action problem that results from having different market operators, transmission operators, and asynchronous systems adjacent to one another. Some of these regions are relatively rural, with plentiful open space, low electricity prices, and an otherwise attractive investment climate for federal assistance to supplement or bolster private investment, but also with transmission systems historically developed to serve local customer load, not the growing grid demands of today. Montana is a good example of such a location, with an Interconnection seam (Western and Eastern) in its eastern half, a seam between three different market operators with participating or member utilities in the state (Southwest Power Pool (SPP), Midcontinent Independent System Operator (MISO), and the California Independent System Operator (CAISO – through its operation of the Western Energy Imbalance Market), and a complex transmission

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interface between private companies and two federal power marketing administration (Bonneville Power Administration (BPA) and Western Area Power Administration (WAPA)). States like Montana have many advantages for expanding power infrastructure, but they also have an identifiable disadvantage of a seam-filled, dis-integrated bulk power system.

2. Energy Task Force Recommendations for DOE Actions (Sections 2 and 3)

A. Montana is Primed for Investment as an Energy Hub for the West

i. Legacy coal and hydroelectric resources dominate Montana's electricity portfolio, augmented with recent developments of wind, solar, and natural gas generation. Montana has long played an important role in regional energy supply and is well situated to build on that legacy with an all-of-the-above energy development strategy supported by business leadership and energy leaders ready to invest in Montana's abundant energy resources, and to aggressively pursue energy innovation.

Situated at the juncture of markets and grid interconnections, Montana is positioned to expand on its role as an energy hub, including with the Montana-Alberta Tie Line creating an expanded transmission pathway to the north, and the 525-kilovolt high-voltage direct current North Plains Connector transmission project under development to bridge the Western and Eastern Interconnections from Colstrip, Montana to Bismark, North Dakota. Utilities and independent transmission developers are also actively scoping opportunities to expand pathways west into the energy-hungry Pacific Northwest and south into Idaho and Wyoming.

With these developments, Montana is ready to continue exporting resources while also developing new generation and transmission facilities to secure affordable, reliable energy supplies to serve both existing customers and new businesses ready to invest in the state. Electricity services are delivered to Montana residential and commercial customers by 25 electric cooperatives, and two investor-owned utilities. Existing large customers, including mining operations and refineries, are predominantly supplied by independent power producers but receive transmission delivery services from the investor-owned utility.

B. Advance Power Sector Planning with State-led and Regional Perspectives

i. **Support state-led and regional power sector planning.** DOE should provide technical assistance in the form of planning grants or to deliver DOE National Laboratory and/or private sector consulting expertise to support state-led and multi-state power sector planning. Specifically, support is needed in the areas of: modeling demand growth; identifying opportunities to co-locate new large energy loads with existing or planned generation and transmission infrastructure; enhancing regional connectivity and transmission infrastructure across market seams and interconnections;

integrating grid-enhancing technologies in transmission and distribution systems; planning for low-cost, reliable resource portfolios; and developing strategies to leverage the affordability benefits of new large loads and generation assets, while protecting existing customers from bill impacts. State-led planning initiatives allow states to integrate state-specific policy objectives informed by Federal requirements and regional or state-specific industry and stakeholder perspectives.

ii. **Deploy Joint State-Power Marketing Administration (PMA) Technical Strike Teams.** Federal power marketing administrations, including BPA and WAPA, are critical partners in the delivery of power across the west, including in Montana. However, the intersection of private utility infrastructure and PMA-operated assets creates technical and planning complexity and increases the challenges of implementing multi-state transmission upgrades. Coordination between Montana and BPA leadership in the 2018 Montana Renewable Development Action Plan identified opportunities for transmission system expansion and potential upgrades serving Montana and clarified existing available capacity. That initiative integrated Montana transmission system owners/operators, BPA, and developers of new generation, and is a strong example to build on. Similar initiatives combining the technical expertise of BPA, WAPA, Montana utilities, rural electric cooperatives, independent power producers, transmission developers, and state planning entities have the potential to identify actionable, cost-effective upgrade opportunities.

C. Accelerate Permitting through Improved Federal, State and Multi-state Coordination

i. **Build on success of Coordinated Interagency Transmission Authorizations and Permits (CITAP).** DOE should expand on success of the CITAP initiative to further accelerate coordination of federal, state, and multi-state siting and permitting actions. Active coordination between DEQ's Major Facility Siting Act Program, North Dakota, and federal partners to align state and federal permitting actions for transmission development represent a model to build on. Dedicating federal resources to DOE's delivery of CITAP, along with robust federal agency involvement (Bureau of Land Management, Forest Service, etc.) is essential to accelerate durable permitting and siting actions.

D. Implement Innovative Finance Solutions to Leverage Private Investment

i. **Utilize DOE bridge finance mechanisms to advance electric transmission and gas system capacity.** The federal programs available to the Speed to Power Initiative could play a valuable role in bridging the multiple power sector actors and systems present in Montana. For example, through the Transmission Facilitation Program's anchor tenant contracts or through Loan Programs Office loans or loan guarantees to expand natural gas pipeline or storage capacity in the state to serve growing

customer demand and new large loads. Whether through financial assistance or a supportive commercial position assumed by the federal government, the Speed to Power Initiative could de-risk some of these multi-party development opportunities in states like Montana.

ii. **Develop market-making functionality in capital constrained regions.** DOE should work closely with state energy offices in areas without an RTO to assess the potential for a state-led Request for Information, open season, or auction backed by DOE capital to attract development of new generation assets. Such an action would require coordination with independent power producers and utilities to provide an open-season auction or financing mechanism designed to clear development of new energy resources.

iii. **Scale the impact of Grid Resilience and GRIP Grants.** DOE's investments in securing the nation's grid infrastructure through the Grid Resilience State and Tribal Formula Grant Program and the Grid Resilience and Innovation Partnerships (GRIP) Grant Program have already leveraged private sector capital to build more reliable and resilient grid infrastructure, necessary to accommodate new energy loads and generation. In the near term, DOE actions to finalize contingent GRIP grants and disburse Year 4 and 5 of Grid Resilience grants to states will provide additional certainty to the private sector. Future iterations of these programs could focus on transmission and distribution grid measures that address necessary reliability and resilience issues, while also building capacity to interconnect new loads and generation.

Thank you for the opportunity to provide this input. Governor Gianforte's Energy Task Force stands ready to work with DOE.

Sincerely,

Signed by:
9A4BDB4152DB4C9...

Sonja Nowakowski
Director, Montana Department of Environmental Quality

Appendix C: Supporting Documentation

Western Transmission Expansion Coalition (WestTEC). "**West-Wide Transmission Study, 10-Year Horizon Report.**"

Western Electricity Coordinating Council. "**2025 Western Assessment of Resource Adequacy.**" 2026.

Northwest Power and Conservation Council. "**Pacific Northwest Power Supply Adequacy Assessment for 2029**." 2024.

Montana-Dakota Utilities. "**Integrated Resource Plan**." 2024.

Montana Energy Business Alliance, GridLab and Energy Strategies. "**Assessing Resource Adequacy in Montana**."

Midcontinent Independent System Operator. "**2024 Regional Resource Assessment**."

NorthWestern Energy. "**Montana Integrated Resource Plan 2023**." 2023.

Brattle Group. 2026. "**The Untapped Grid: How Better Utilization of the Power System Can Improve Energy Affordability**."

Energy & Environmental Economics. 2026. "**Resource Adequacy and the Energy Transition in the Pacific Northwest.**"