



City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Administration and Finance

Item: Interlocal Agreement between City of Missoula, Missoula County, City of Bozeman and City of Helena concerning engagement of a consultant to analyze green tariffs and utility rate structures.

Date: January 19, 2021

Sponsor(s): Montana James

Prepared by: Zoe Walters

Ward(s) Affected:

- | | |
|-----------------------------------------------|---------------------------------|
| <input type="checkbox"/> Ward 1 | <input type="checkbox"/> Ward 4 |
| <input type="checkbox"/> Ward 2 | <input type="checkbox"/> Ward 5 |
| <input type="checkbox"/> Ward 3 | <input type="checkbox"/> Ward 6 |
| <input checked="" type="checkbox"/> All Wards | <input type="checkbox"/> N/A |

Action Required:

Approve and authorize the Mayor to sign this Interlocal Agreement between the City of Missoula, Missoula County, City of Bozeman and City of Helena.

Recommended Motion(s):

I move the City Council: Approve and authorize the Mayor to sign this Interlocal Agreement between the City of Missoula, Missoula County, City of Bozeman and City of Helena.

Timeline:

Referral to committee:	January 19, 2021
Committee discussion:	January 27, 2021
Council action (or sets hearing):	February 1, 2021
Public Hearing:	N/A
Deadline:	N/A

Background and Alternatives Explored:

- In 2019, Missoula County and the City of Missoula jointly adopted a goal of 100% clean electricity for the Missoula urban area by 2030. The Cities of Bozeman and Helena have adopted similar goals for their communities. All four local governments have identified green tariffs as an important component of their efforts to achieve 100% clean electricity.

Green tariffs are an increasingly common mechanism by which customers of regulated utilities have the option to buy power from newly developed renewable energy sources through a special rate (or “tariff”) on their utility bills. In 2019, the Montana Public Service Commission approved a settlement agreement between NorthWestern Energy, the Montana Department of Environmental Quality, the Montana Consumer Counsel, and Walmart, in which NorthWestern Energy agreed to initiate a stakeholder process to explore the development of a green tariff. This stakeholder process is currently underway, and Missoula County, the City of Missoula, the City of Bozeman, and the City of Helena are participating in it. The local governments’ goals with regard to the green tariff include (1) that it results in the development of new utility-scale renewable energy in

the state of Montana, (2) that the green tariff rates, contract terms, and eligibility requirements make it accessible and attractive to as many NorthWestern Energy customers as possible, and (3) that it does not negatively impact non-participating customers.

Missoula County and the cities of Missoula, Bozeman, and Helena jointly propose to hire a consultant with technical expertise in green tariffs and utility rate design to inform the development of a green tariff that most effectively advances their 100% clean electricity goals. The four local governments have jointly issued a competitive solicitation to select a consultant, and have allocated funds in their FY21 budgets to support this effort.

This proposed Interlocal Agreement formalizes the relationship among the four local governments for the purpose of jointly hiring and managing a consultant. Under the terms of the proposed Interlocal Agreement, Missoula County will enter into the contract with the consultant, but costs and oversight of the consultant will be shared among the four local governments.

Financial Implications: The City of Missoula's portion (\$20,000) listed in the Interlocal Agreement was approved in the FY21 Budget, and leverages the partner funding listed.

Links to external websites: N/A