

why is MSTI necessary...

Renewable energy, like oil, gas and coal is only available in certain geographical areas of the country. Montana, Idaho and Wyoming are rich with wind power potential. In order to fully realize the potential wind power harvest, new transmission lines such as MSTI are being built to fulfill the obligation to get that commodity to market.

NorthWestern Energy is one of several regional transmission operators in the West. The company is required by federal law to provide fair and equal opportunity to all generators who want to move power through and across its transmission system. It is also has an "obligation to serve" meaning that it must be responsive to customer requests for services prescribed by federal regulation.

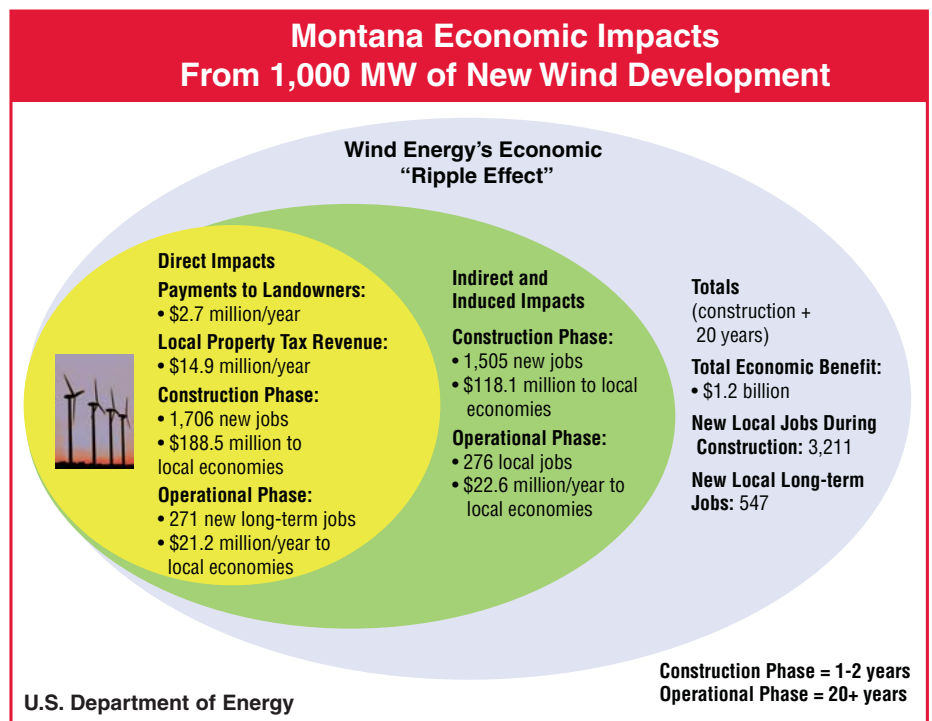
Renewable energy from wind, biomass and solar will play a key role in securing the United States' energy future. The Obama Administration's goal is to have renewable energy account for 25% of our nation's energy production by 2025. There is consideration of a Federal Renewable Standard.

States throughout the west have enacted rigorous and aggressive Renewable Energy Portfolio Standards. This means that utilities must supply a certain amount of renewable energy to their customers. That's why in 2006, NorthWestern proposed a new transmission project, the Mountain States Transmission Intertie or MSTI for short. MSTI is a 500 kV transmission line that is designed to carry up to 1,500 MWs of renewable electricity from its collection point at Townsend, Montana to the Midpoint substation north of Twin Falls, Idaho where it will interconnect to other power lines that will carry it to homes, businesses and schools across the West.

Nearly all of the projects in NorthWestern's queue are proposed wind farms. While not all of these projects will be built, NorthWestern Energy needs to provide additional capacity to its system to enable these projects to reach customers in states that need the power. ■

Renewable Energy and MSTI Economic Benefits to Montana

The benefits of renewable energy development is tangible and complementary to existing industry – often referred to as the new cash crop for rural America. The U.S. Department of Energy studied wind's benefits in Montana and found that "Building and operating



1000 MW of wind power requires a significant investment. But this investment will generate substantial direct, indirect, and induced economic benefits for Montana. Direct benefits include jobs, land-lease payments, and increased tax revenues. Indirect benefits include benefits to businesses that support the wind farm. Induced benefits result from additional spending on goods and services in the area surrounding the development." ■

MSTI Fact
Estimated line length – 400 miles
Cost of Construction – \$1 billion
Cost per mile – \$1.5 million
Structures per mile – 4 to 5 depending on geography
Easement width 220 ft

Montana Tax Benefits

New production facilities and transmission lines will result in additional property taxes for local government to help fund schools and essential services. Depending on the final route destination in the Environmental Impact Statement, MSTI will contribute from \$12 to \$37 million dollars per year in additional annual property tax revenue, depending on the market value assigned by the Montana Department of Revenue and assuming the facilities are classified as class 9 property. Communities along the route will see additional revenue from the construction phase as workers will need places to eat, sleep and shop. ■

MSTI Potential Tax Impact by County Range of Estimated Property Tax Payments			
County	From	To	Increase to Property Tax Base
Beaverhead	\$2,700,000	\$7,200,000	63% - 167%
Broadwater	\$6,200,000	\$12,400,000	160% - 423%
Deer Lodge	\$200,000	\$10,800,000	5% - 290%
Jefferson	\$900,000	\$3,200,000	14% - 50%
Silver Bow	\$250,000	\$5,000,000	1% - 21%

Wage and Job Benefits

During construction MSTI will employ over 290 workers. The total estimated construction wages will be \$38 million in Montana. Local income will be approximately \$6 million and outside workers income will be over \$10 million. Disposable income locally is estimated at over \$11 million. ■

Doing our part for the environment - we all contribute

According to the US Department of Energy, a 1.5 MW wind turbine can power 500 homes and displace 2,700 metric tons of CO₂. Therefore, if MSTI is fully subscribed with clean renewable wind power, it will help displace more than 2.7 million metric tons of greenhouse gases and provide enough electricity to power 5 million homes. Today's wind farms produce enough wind energy to becoming a significant contributor to the U.S. power mix. Experts estimate that wind energy could provide as much as 20% of our nation's electricity. Right now wind projects accounted for 35 percent of all new U.S. electric generating capacity in 2007, and transmission facilities capable of generating a total of over 200 GW of wind power are in the early stages of development throughout the nation. Wind generation could account for upwards for 500,000 jobs over the next 20 years. ■

Here are just a few of the jobs and salaries associated with the construction and operation of wind generating facilities and MSTI.

- ◆ Industrial Truck Drivers – \$29,780/year
- ◆ Machinists – \$33,600/year
- ◆ Maintenance and Repair Workers – \$31,630/year
- ◆ Industrial Machinery Mechanics – \$51,240
- ◆ Electrical Engineers – \$64,800

This data is from the MTCIS National Occupations Database prepared by IntoCareers, University of Oregon, O*Net Database 13, and the May 2007 panel of the Occupational Employment Survey.

CO₂ emissions and water conservation benefits

In 2004, the average Montana resident emitted approximately 22.7 tons of CO₂ from electricity consumption. As a state, Montana ranked 5th in per capita electricity sector CO₂ emissions.

Annual Impacts in Montana from 1000 MW of New Wind Power	
Water Savings	CO ₂ Savings
1,207 million gallons	2.9 million tons

Developing wind power in Montana will result in CO₂ emissions reductions and water savings. ■

Where you can get more information

Visit MSTI500kv.com or www.deq.mt.gov/MFS/MSTI/MSTIindex.asp
www.blm.gov/mt/st/en/prog/lands_realty/projects.htm

contact

For further information contact:

Dan Rapkoch
Communications Manager
NorthWestern Energy
40 E. Broadway St.
Butte, MT 59701
(406) 490-1895
msti@northwestern.com

NorthWestern
Energy