



Mr. Chairman, committee members, my name is Kyle Unruh, last name U-N-R-U-H. I am here on behalf of Renewable Northwest, a non-profit representing over 80 members, including power marketers, purchasers, environmental NGOs, and most clean energy developers who operate in the Pacific Northwest. Thank you for providing the opportunity to comment on HB 326.

My testimony today will be framed around major economic issues in Montana and why growth in the state's emerging energy economy must be encouraged rather than impeded with an additional 10% tax.

In its latest report, the Pacific Northwest Utilities Conference Committee found that the region's electricity demand is expected to increase 30% by 2033. Consequently, they estimate 29GW of new nameplate capacity must be put in service in this timeframe to meet demand. To put this number in perspective, this is equivalent to building another 166 Yellowstone County Generating Stations (the gas peaker just constructed in Laurel, MT), or 37 more Clearwater Wind Energy in the next nine years. To the extent development does not keep pace with demand, prices will continue to rise and, if the gap is large enough, reliable service will be compromised.

Electricity prices in Montana are already high. As of Northwestern Energy's last rate increase, Montanans paid the highest rates for electricity of any consumer in the Pacific Northwest. One year ago, REC Silicon, formerly Montana's largest industrial electricity consumer, and a major employer, announced it would lay off 400 people in Butte and shutter its polysilicon business due only to "forecasts for sustained high electricity costs that are outside of [their] control". At the same time, multiple of Montana's other large industrial companies, some of Montana's largest employers, also disclosed they expect their electricity rates to at least double in the next 12-18 months when their current contracts expire. For commodity industries sensitive to operating costs, raising one of their largest operating expenses to this degree is a serious problem.

Most eastern Montana counties are experiencing stagnant wages and often declining employment. This, paired with most Montanans being handed a historic property tax hike also around one year ago, has stretched Montanans and their communities thin.

What do these economic headwinds have to do with wind and solar energy production? Wind, solar, and batteries are by far the cheapest sources of energy production, are in high demand, provide jobs, and provide substantial tax revenue and landowner income. Insofar as Montana's citizens and industry receive their energy from wind, solar, and storage, they will pay less for their electricity.

Also, wind, solar, and batteries will continue to provide substantial fiscal stability to their host communities. Just three recent projects (Clearwater Wind, Beaver Creek Wind, and Apex Solar), when combined, will pay more than \$14 million dollars each year across five Montana

counties for decades. They will also contribute around \$14 million dollars each year directly to landowners for decades. They and all other wind and solar facilities will also continue to be subject to the Wholesale Energy Transaction Tax.

Utilizing Montana's amazing wind and solar resources will also create many high-paying jobs. The best estimates show that, provided sufficient transmission capacity and a friendly business environment, Montana's energy economy, including wind and solar development, will add around 20,000 high-paying jobs over ten years.

Please also bear in mind Montana has developed a miniscule amount of its wind and solar resource when compared to other states with high potential. Montana has the west's preeminent wind resource, and the third largest solar resource. Montana's wind resource is second nationally only to Texas. Texas has developed over 42 GW of wind generation. Closer to home in Wyoming, whose wind resource potential is substantially smaller than Montana's, they expected to have between 9-10 GW of wind generation by the end of 2024. Montana has developed approximately 1.8 GW.

At the same time every state in our region is scrambling to acquire as much clean, low cost generation as possible, it is critical that Montana signal it is a favorable business environment for development. The expected increase in energy development and production this would yield is far more likely to return higher revenues through the existing tax structure than stifling the state's competitiveness, and therefore development, with large, additional taxes.

Thank you for your consideration.