

Our Montana system meets record energy demand during extreme weather

Energy demand was record high during the Arctic blast that blanketed Montana in mid-January.

The electric-peak load on the grid that serves NorthWestern Energy's Montana customers and many other Montana energy service providers exceeded the record set during the December 2022 Montana Arctic blast. In addition, NorthWestern Energy's Montana natural gas system supplied a record quantity of natural gas to keep our customers warm.

NorthWestern Energy's crews were staffed and equipped to respond to issues and outages during the Arctic blast. The system performed well under the prolonged extreme conditions. "We appreciate the patience of those who were affected by some outages our system experienced and the numerous accolades

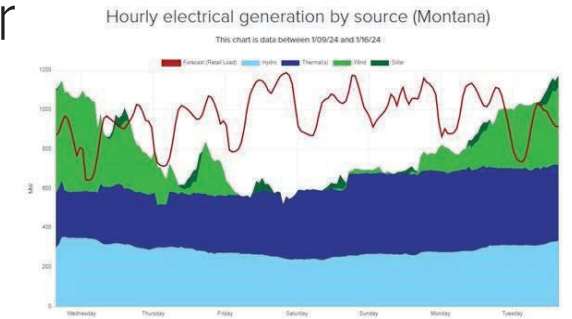
offered for our crews working around the clock in extreme conditions to keep the lights and heat on," said NorthWestern Energy President and Chief Executive Officer Brian Bird. "We have tremendous customers and are honored to provide you with reliable energy service."

NorthWestern Energy's Montana natural gas-fired generation facilities and the Montana Colstrip power plant, along with our hydro generation in Montana, supplied about half of the power for our customers during the extreme temperatures. Wind and solar generation could not produce much, if any, power during the extreme cold. Energy market purchases, most imported from out-of-state, were made to meet more than half of our Montana customers' energy demand. If the

175-megawatt Yellowstone County Generating Station, the natural-gas fired generation plant NorthWestern Energy is completing south of Laurel, was operating during this Arctic blast in Montana, more than \$14 million in purchases from the energy market would have been avoided.

If NorthWestern Energy had Avista's 222 megawatt share of the Colstrip Plant, which will be acquired on Jan. 1, 2026, during this Arctic blast in Montana, more than \$18 million in purchases from the energy market would have been avoided.

Energy market purchases are flow-through costs to our customers. "More than five days of consecutive extreme temperatures across Montana illustrates why additional 24/7, on-demand resources located in Montana and



dedicated to serving our Montana customers are needed to reduce the risk to reliable service during extreme weather," said Bird. "And in order to add even more variable wind and solar generation to the Montana grid, we need more of the same 24/7 generation to keep the grid stable."

Considering adding solar panels to your home? Here is some important information.

Adding solar to your home is a big financial decision. Make sure you do your homework before you enter into a contract with a solar installer. Recently, we've seen a rise in aggressive and confusing marketing tactics. Most solar providers are honest and fair. However, there are some red flags to watch out for, and if a claim sounds too good to be true, it probably is.

Watch Out for False Claims

If a solar installer makes these false claims, we recommend finding someone else to do business with.

False Claim: You can get free solar energy at no cost.

The Truth: Solar panels are rarely free. Offers claiming to provide free solar panels or other services deserve a close look at the fine print. The federal government does not have any programs that install solar panels for free. However, there are legitimate programs, including loans, that lower the up-front costs.

False Claim: NorthWestern Energy will pay customers to install solar on their home.

The Truth: NorthWestern Energy does not offer incentives for solar installations for residential customers. This false claim is often seen on social media ads. Clicking on an ad directs the customer to an online qualification survey. This is a marketing tactic attempting

to gather customers' information.

False Claim: You will never pay an electricity bill again after a solar system is installed.

The Truth: NorthWestern Energy customers who install home solar are still charged a monthly service fee. Net metering allows any energy not used by the customer to be exported back to the electric grid. This unused energy is tracked and made available as a credit to the customer on future bills until their selected settle-up month. At the customer's annual settle-up month, Montana law mandates that any excess energy credit resets to zero. The amount of money you can save with solar depends upon how much electricity you consume and the size of your solar energy system.

How do I know if solar makes sense for me?

Before installing solar panels, a good first step is to make your home as energy efficient as possible. Reducing your energy use can reduce the size of solar system you need, which could save you thousands of dollars.

There are three steps for determining if solar energy makes financial sense:

1. Determine how much electricity you use.
2. Analyze the available space for the solar energy system.

3. Calculate the cost of the system.

Step 1: Review your past electrical usage and determine how much electricity you use on average in a year. NorthWestern Energy customers can access two years of electrical usage data by registering for a My Energy Account at NorthWesternEnergy.com. You can then decide how much electricity you want to offset through a solar system. Most consumers try to offset between 25-75% of their annual electrical use.

For example, if you use an average of 10,000 kilowatt hours (kWh) per year, and you want to offset 50% of that usage, you will need a photovoltaic (PV) system that produces 5,000 kWh per year.

Step 2: You'll need to determine the correct system size based on the average solar production for your area. In Montana, a standard fixed-mount PV system produces approximately 1,300 kWh of electricity per year for every one kilowatt of installed solar.

For example, in step 1, we determined we want to produce 5,000 kWh per year. Using the one kilowatt expected annual output of 1,300 kWh, the required system size is determined by taking the desired output (5,000 kWh) and dividing it by 1,300 kWh. In this case, that is 3.846, which means the solar array would need to be about 3.8 kilowatts. ($5,000/1,300=3.846$)

Next, you'll need to determine if you have enough roof space for a 3.8-kilowatt system and whether any trees or other objects shade any part of your roof.

Step 3: Determine the total cost of the system. A reputable installer will be able to provide you a complete, detailed bid outlining all costs. You'll also want to research federal PV tax credits. Next, calculate how much you will save on electricity with your solar panels.

For example, if your electric bill is about \$100 a month, and you expect to offset 50% of your electricity use with solar, you will save about \$50 a month, or \$600 a year. If your system costs \$10,000 (after tax credits), the payback time on your system will be 16.7 years, not including interest or additional costs associated with the PV system. ($10,000/600=16.667$).

Use a qualified installer

NorthWestern Energy recommends obtaining bids from multiple qualified installers and verifying the Installer you select is using a licensed electrician to complete all electrical work.

We provide additional resources and information on our website.

Visit NorthWesternEnergy.com/PrivateGeneration.