

Memorandum

REPORT TO: City Commission

FROM: Natalie Meyer, Sustainability Program Manager
Cola Rowley, Assistant City Manager

SUBJECT: Authorize the City Manager to Sign Addendum 3 to the License Agreement with NorthWestern Energy for the Bozeman Solar Project at the Water Reclamation Facility Extending the License Term for an Additional Two Years or Until the Property is Transferred

MEETING DATE: July 21, 2026

AGENDA ITEM TYPE: Agreement - Property

RECOMMENDATION: Authorize the City Manager to Sign Addendum 3 to the License Agreement with NorthWestern Energy for the Bozeman Solar Project at the Water Reclamation Facility extending the license term for an additional two years or until the property is transferred.

STRATEGIC PLAN: 6.3 Climate Action: Reduce community and municipal Greenhouse Gas (GHG) emissions, increase the supply of clean and renewable energy; foster related businesses.

BACKGROUND: On [February 8, 2016](#) the City Commission approved a Memorandum of Understanding (MOU) and license agreement with NorthWestern Energy, whereby the City licensed 2.3 acres at the Water Reclamation Facility for the 385 kW Bozeman Solar Project. The project was a 5-year educational pilot program between NorthWestern Energy, the City of Bozeman, and Montana State University to evaluate long-term sustainable models for the integration of renewable energy to the grid.

The City Commission approved Addendum 2 of the License Agreement on [May 11, 2021](#), extending the term of the agreement for an additional five years.

Addendum 3 proposes to extend the license term for an additional two years or until the land is transferred to Gallatin County to develop the City-County Solid Waste Transfer Station, which will reduce trips to the landfill, save money on fuel and maintenance, and reduce greenhouse gas emissions. Per the [September 27, 2023 Memorandum of Understanding](#), the County and Solid Waste District agree to work with NorthWestern Energy in the event the Transfer Station impacts the Bozeman Solar Project and agree to include, to the extent feasible, a similarly sized project on the site if the current solar project needs to be relocated.

In addition, the City of Bozeman plans to install a new 544 kW solar array that is scheduled for completion in the summer of 2027. The solar array will directly offset electricity use at the Water Reclamation Facility and reduce long-term utility costs for City of Bozeman ratepayers.

UNRESOLVED ISSUES: None.

ALTERNATIVES: As recommended by the City Commission.

FISCAL EFFECTS: The addendum does not amend the financial terms of the license agreement. The Bozeman Solar Project generates electricity that is sent to the grid, offering indirect renewable energy benefits to NorthWestern customers, but there is no direct financial benefit to City of Bozeman ratepayers.

Attachments:

[Bozeman Solar License Agmt_3rd Addendum.pdf](#)

Report compiled on: July 9, 2026