

Memorandum

REPORT TO: Economic Vitality Board

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

SUBJECT: Work Session on Green Power Program Lead Community Agreement with NorthWestern Energy

MEETING DATE: August 5, 2026

AGENDA ITEM TYPE: Agreement - Legal

RECOMMENDATION: *Work Session on Green Power Program Lead Community Agreement with NorthWestern Energy.*

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:

With the adoption of the [2020 Bozeman Climate Plan](#), the City of Bozeman established a goal of 100% net clean electricity within the City of Bozeman boundary by 2030. The Bozeman Climate Plan identifies a "green tariff" as one of the top options for supplying the Bozeman community with clean energy. A green tariff is an option for customers of regulated utilities to buy power from newly developed renewable energy sources through a special rate (tariff) on their utility bills.

Over the past several years, the City of Missoula, Missoula County, the City of Bozeman and NorthWestern Energy have worked together to develop a green tariff program, called the Green Power Program (GPP). The GPP would allow NorthWestern Energy customers to support and benefit from a new source of renewable energy in Montana, such as a wind or solar farm. Developing the program is a key strategy for the Lead Communities of the City of Missoula, Missoula County, and the City of Bozeman to reach their respective clean electricity goals, support clean energy jobs in Montana, and provide a voluntary renewable energy option to customers.

On [November 28th, 2023](#), the Bozeman City Commission authorized the City Manager to sign the Green Power Program (GPP) Term Sheet with NorthWestern Energy. This non-binding agreement has guided program design and defined the implementation process. The Lead Communities of

Missoula County, City of Missoula, and the City of Bozeman each approved the Term Sheet with NorthWestern Energy.

The next milestone in the development of the Green Power Program is the Lead Community Agreement, which outlines the roles and responsibilities for the Lead Communities and NorthWestern Energy to file the GPP with the Montana Public Service Commission (PSC) for consideration. The Lead Community Agreement includes design and process specifications for the development of a Request for Proposals (RFP); the RFP process will be a competitive process for selecting a new renewable energy facility to serve as the resource for the GPP and will occur after the PSC approves the program and interested subscribers have been identified.

The Lead Community Agreement binds the Lead Communities to a process but does not commit any community to subscribe to the GPP. The decision to subscribe to the GPP will be brought forward after the RFP.

The final program documents are included as attachments:

- **Lead Community Agreement:** Outlines roles and responsibilities for the Lead Communities and NorthWestern to bring the GPP to the Public Service Commission (PSC)
- **Tariff:** The GPP rate structure to be adopted by the PSC
- **Notice of Interest:** The non-binding indication of how much electricity a customer would like to subscribe to the GPP (submitted after PSC approval)
- **Community Subscription Agreement:** The binding community customer agreement to subscribe to the GPP (submitted after the RFP)
- **Commercial Subscription Agreement:** The binding commercial customer agreement to subscribe to the GPP (submitted after the RFP)
- **Residential Enrollment Form:** The short-term residential subscription enrollment form for use by residents in participating jurisdictions (submitted after Community Subscription Agreements)

At the [July 8, 2026](#), Sustainability Advisory Board meeting, City Staff presented the supporting documents for the Green Power Program, and the Board unanimously recommended approval of the Lead Community Agreement. On [July 21, 2026](#), the Bozeman City Commission advanced the next milestone in the development of the Green Power Program by approving the Lead Community Agreement.

The Green Power Program is an opportunity to advance several values identified in the [2023 Economic Vitality Strategy](#), including a sustainable economy, resilient infrastructure, and innovation. The opportunity to invest in Montana-based clean energy supports the EV Strategy goal 3.3 to foster a culture of climate change resilience by supporting climate technology. The

Green Power Program directly advances Objective 3.2.F to work with NorthWestern to foster development of non-fossil fuel energy production.

The Green Power Program website is available for members of the community to stay informed as the program develops: [Green Power Program | City of Bozeman](#)

Sustainability Program Manager, Natalie Meyer, will provide an overview of the Green Power Program and Lead Community Agreement. The Economic Vitality Board will be invited to ask questions and discuss this multi-year project. With the July 21, 2026 adoption of the Lead Community, the project focus is shifting to building statewide support for Public Service Commission approval. This includes recruiting potential government, institutions, and commercial subscribers. The Economic Vitality Board will be asked to consider the following questions:

- What type of messaging should the Lead Communities emphasize to build statewide support for the program?
- Securing long-term program subscribers is essential for the program to succeed. Are there Montana government jurisdictions, institutions, or businesses that may be interested in participating in the program?
- How can we leverage the Green Power Program to further advance the goals and objectives of the Economic Vitality Strategy?

UNRESOLVED ISSUES: None.

ALTERNATIVES: As suggested by the Board.

FISCAL EFFECTS: Signing the Lead Community Agreement commits the City of Bozeman to paying a share of the costs incurred by NorthWestern to develop and issue a Request for Proposals (RFP) for the renewable resource if the City decides, after the RFP, not to move forward with the program and terminates the Lead Community Agreement. The Lead Community Agreement does not commit the City of Bozeman to subscribe to the Green Power Program, but it advances the approval process to the Montana Public Service Commission for consideration of the Green Power Program Tariff.

Other steps in establishing the Green Power Program may include one-time funding for legal representation and technical expert witnesses as part of the Green Power Program Tariff filing at the Public Service Commission. Additional expenditures may be considered in the engagement and recruitment of Green Power Program subscribers. Anticipated costs were included in the approved FY27-28 Sustainability Division operating budget.

Attachments:

[Lead Community Agreement_FINAL.pdf](#)

[Green Power Program Tariff_FINAL.pdf](#)

[Notice of Interest_FINAL.pdf](#)

[Community Subscription Agreement_FINAL.pdf](#)

[CI Subscription Agreement_FINAL.pdf](#)

[Residential Enrollment Form_FINAL.pdf](#)

Report compiled on: July 29, 2026