

Montana is doubling down on coal and gas while the West bets on transmission. Your capital plan is where those bets get paid for.

NorthWestern Energy just became Colstrip's majority owner, brought a new gas plant online under a cloud of litigation, and is fielding data-center inquiries the grid has never seen — all while a \$6 billion line prepares to tie Montana into two grids at once. Each of those moves reshuffles the projects on your list. Invizion helps electric utilities re-sequence a capital portfolio in a click — and defend every decision.

11+ ¹	2028 ²	55% ³	\$700M ⁴
Companies that had sought NorthWestern power for Montana data centers as of early 2026, on top of three signed deals.	Year WECC warns the West could begin facing energy shortfalls, with the Basin and Northwest most exposed.	NorthWestern's majority stake in Colstrip after acquiring 592 MW from two exiting Washington utilities for \$0.	Federal DOE grant to advance the North Plains Connector, the first line bridging the eastern and western grids.

THE MONTANA LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

DEMAND — LOAD GROWTH

Data centers arrive in a slow-growth grid

NorthWestern has signed agreements with at least three data centers in 18 months, and by early 2026 at least 11 companies had sought access to its power — each capable of consuming as much energy as a small city¹

For a utility serving roughly 413,000 Montana electric customers, a single large load is a capacity commitment that competes with everything else on the list — which is why cost-allocation and a large-load tariff are now live questions at the Commission¹

RELIABILITY — RESOURCE ADEQUACY

Thin margins across the West

WECC's 2025 assessment warns the West could see energy shortfalls as early as 2028, with the Basin and Northwest subregions most exposed and roughly 80% of their planned additions still classed as speculative²

Montana's own plan is contested: the PSC voted 3–1 to reject NorthWestern's 2026 resource plan after an independent review found it failed to justify expensive new generation⁵

GENERATION — THE TRANSITION

Doubling down on coal and gas

While neighboring states exit coal, NorthWestern became Colstrip's majority owner in January 2026, taking 592 MW from Avista and Puget Sound Energy for \$0 as Washington's climate law forced them out.³ A federal repeal of the MATS rule spared the plant a roughly \$350 million upgrade decision⁷

Alongside coal, the utility brought its 175 MW Yellowstone County (Laurel) gas plant online in late 2024 — after a district court vacated its air-quality permit in 2023 and the Montana Supreme Court reinstated it while ordering a greenhouse-gas study⁶

CAPITAL — TRANSMISSION & GRID

A \$6 billion line and a growing rate base

The North Plains Connector — a 420-mile, up-to-525 kV, 3,000 MW HVDC line from Colstrip to North Dakota — would be the first major tie between the eastern and western grids, an estimated \$6 billion investment led by Grid United and ALLETE⁸

On the distribution side, NorthWestern's 2024 rate filing sought about \$193 million in additional annual revenue at a 10.8% requested ROE, driven by the gas plant, poles, and pipelines⁹ New obligations don't replace the backlog — they stack on it.

WHO RUNS MONTANA'S GRID

One dominant investor-owned utility, a merchant coal fleet, and a deep cooperative bench

Montana's grid is carried by NorthWestern Energy, a smaller investor-owned utility in the east, the merchant-owned Colstrip complex, and more than two dozen rural cooperatives and tribal power entities. The pressures are shared; the accountability path differs.

Investor-owned & merchant

Retail rates regulated by the Montana PSC

NorthWestern Energy ~413,000 Montana electric customers ·
850,300 total across MT/SD/NE10

**Montana-Dakota
Utilities (MDU)** Electric & gas across eastern Montana

**Talen Energy —
Colstrip** Merchant operator of Colstrip Units 3–43

NorthWestern now holds a 55% majority stake in Colstrip after
acquiring 592 MW for \$0 from two exiting Washington utilities3

Cooperatives, public power & tribal

Governed by boards & members, not PSC rates

**Montana's rural electric
cooperatives** More than two dozen distribution
coops statewide

**Basin Electric Power
Cooperative** G&T; 138 member systems across
nine states incl. MT11

**Big Horn County Electric
Cooperative** Took part of a 58 MW Colstrip block
12

**Energy Keepers, Inc.
(CSKT)** Tribally owned; operates the former
Kerr Dam12

Flathead Electric Cooperative is Montana's largest distribution
cooperative; most coops buy wholesale power and share the same
supply and reliability pressures.

Every capital dollar has to be defensible

Whether you answer to the Public Service Commission or a member board, the question is the same: why this project, why now, why at this cost?

Montana Public Service Commission (PSC) — five commissioners elected to four-year terms from five districts regulate NorthWestern's and MDU's rates, capital recovery, and resource plans.¹³

2023 rate case: in October 2023 the PSC approved an \$82 million electricity increase for NorthWestern's roughly 406,000 customers — about \$25 a month for a typical home, and hotly contested⁹

2024–25 rate case: NorthWestern sought about \$193 million in added annual revenue at a 10.8% requested ROE, then implemented a 17% electricity increase in May 2025 without approval after the nine-month statutory window lapsed^{9,14}

Integrated Resource Plan: the PSC rejected NorthWestern's 2026 IRP 3–1 after an independent review found it did not justify new generation and barely addressed climate — approvals are not a formality.⁵

The money is moving — can your plan absorb it?

Montana utilities have more grid capital in play than in a generation, and much of it is transmission-scale. The constraint is readiness: which projects qualify, which are shovel-ready, and how the timing lines up.

DOE grant: \$700M for the North Plains Connector (2024) — to advance the nation's first transmission tie between the eastern and western grids, anchored at Colstrip⁴

North Plains Connector: ~\$6B total — a 3,000 MW, 420-mile HVDC line led by Grid United and ALLETE, targeting operation around 2032⁸

DOE GRIP: a \$10.5B national program under the Bipartisan Infrastructure Law is still deploying grid-resilience and transmission dollars utilities can compete for¹⁵

Colstrip's zero-dollar catch: the 592 MW cost \$0 to acquire, but NorthWestern expects about \$18 million a year in O&M just for the added shares — ongoing capital, not a one-time buy¹²

IRA elective-pay (direct-pay) credits let cooperatives and tribal utilities like Basin Electric and Energy Keepers monetize clean-energy tax credits they once couldn't use.

MONTANA'S GRID, IN BRIEF

Questions Montana utility leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking at their capital programs.

Is electricity demand really growing in Montana?

Historically Montana has been a slow-growth, coal-heavy grid — it generated about 26.9 million MWh in 2024 with coal as its primary source¹⁶ The new pressure is data centers: NorthWestern signed at least three deals in 18 months, and by early 2026 at least 11 companies had sought its power¹⁷.

What's happening with Colstrip?

As Washington's climate law forced Avista and Puget Sound Energy out at the end of 2025, NorthWestern took their 592 MW for \$0 and became the 55% majority owner of Montana's largest power plant in January 2026; a federal MATS repeal then spared it a roughly \$350 million upgrade decision¹⁸.

What is the North Plains Connector?

It's a proposed 3,000 MW, 420-mile HVDC line from Colstrip to North Dakota — the first major tie between the eastern and western grids — an estimated \$6 billion project that landed a \$700 million federal DOE grant in 2024¹⁹.

Does the Public Service Commission set my rates?

The PSC — five elected commissioners — regulates rates and resource plans for investor-owned utilities like NorthWestern and MDU. Cooperatives and tribal utilities set their own rates through member boards²⁰.

What grid funding is available in Montana?

The North Plains Connector won a \$700 million DOE grant, and the \$10.5 billion federal GRIP program is still awarding grid-resilience and transmission dollars utilities can compete for²¹.

How does Invizion help Montana electric utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a data-center load, a Colstrip cost, a grant, or a transmission decision reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the PSC or your board.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See how utilities keep capital plans current and defensible with Invizion.

Explore Invizion →