

MONTANA FACILITY FINANCE AUTHORITY

Department of Commerce

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RE: Sub-Awardee Letter of Commitment

To Whom It May Concern,

The Montana Facility Finance Authority (“MFFA”) is a conduit issuer of tax-exempt bonds and the state-wide administrator for Montana’s Commercial Property Assessed Capital Enhancements Program (“C-PACE”). The MFFA shares in the Montana Department of Environmental Quality’s (“DEQ”) vision for a greener, more equitable future for Montana. The purpose of this letter is to convey the MFFA’s commitment to becoming a sub-awardee with the DEQ to help build and execute a robust, statewide enabling measure to assist commercial business owners on receiving Energy Audits and Independent Third-Party Reviews (“ITPR”) to create more energy efficient buildings and communities in Montana.

The MFFA is the largest conduit issuer of tax-exempt bonds in the state of Montana. Since 1983 our focus has been primarily on nonprofit, rural healthcare facilities. Since our creation we’ve financed more than \$4 billion for Montana hospitals and healthcare facilities in rural areas, on tribal lands, and in economically and energy-disadvantaged communities. Throughout our \$4 billion in financings, not a single bond has defaulted. Our service area is statewide, and we have strong partnerships with economic developers, lenders, project managers, and underwriters.

In 2021 the Montana Legislature passed the C-PACE Act, naming the MFFA as the statewide administrator for Montana’s C-PACE program, expanding our focus from strictly rural healthcare into energy efficiency, renewables, and water conservation projects for Montana businesses.

The C-PACE Act requires commercial property owners interested in C-PACE to obtain an Energy Audit and ITPR for every project. Due to this requirement, MFFA has created a database of energy auditors, contractors, and solar installers who can provide these services for C-PACE projects. With our statewide, relationship-based approach, we believe we can create a pipeline of rural, tribal, and low-income community energy projects across our great state. Similar to our current work as C-PACE administrator, the MFFA will ensure the energy efficiency projects being undertaken meet the requirements of DEQ and EPA metrics of success of providing services to low-income and disadvantaged communities.

The MFFA understands that DEQ's capacity to proceed with the proposed enabling measure is dependent on its ability to obtain a substantial grant award from the EPA. We strongly support DEQ's efforts to receive such an award and authorize DEQ to use this letter in support of that effort, including submitting this letter as part of CPRG application to the U.S. Environmental Protection Agency.

Sincerely,

DocuSigned by:

Seth Lutter

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