Montana Department of Environmental Quality

Montana Alternative Energy Revolving Loan Program

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Montana Alternative Energy Revolving Loan Program

- Created by 2001 legislature
- Administrative rules adopted Feb 2003
- First loans closed July 2003



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Montana Alternative Energy Revolving Loan Program

- Loans funded by air quality penalties
  - $2.7 million collected to date
- $40,000 maximum loan
  - Raised from $10,000 in 2005 legislature
- Low interest
  - 3.5% 2009
  - 5% 2008
  - Set annually

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- Status
  - FY04 6 loans $47,959
  - FY05 4 loans $31,990
  - FY06 14 loans $263,158
  - FY07 21 loans $369,246
  - FY08 26 loans $719,208
  - FY09 37 loans $893,827
  - On target to fully loan out fund in FY10

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- Partnerships
  - MT Renewable Energy Association
  - MT Business Assistance Connection
  - Others
    - Utilities
    - MT Economic Developers
    - USDA

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- Finance
  - MT Business Assistance Connection
    - Contract
    - Local economic development agency
    - Credit scoring; recommend approval/denial
    - Issue loan docs, funds
    - File liens
    - Collect loan payments
    - Report and transfer $ back to fund quarterly

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- Marketing
  - Home Shows
  - RE events
  - Workshops
  - Brochures
  - Dealer network
  - Media events
  - Economic developers

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- ARRA Funds
  - $1 - $1.5 million added
  - Increase max loan to $100,000
  - Increase max term to 15 years
  - Limit ECMs
  - NEPA issues

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- Pit falls
  - Administrative Rules
    - Never underestimate the meaning of red tape!
  - Programmatic funding
    - Set by statute
  - Defaults
    - 4 to date
    - Within statutory 5% loan loss

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- What did we learn?
  - 7 years to fully loan out fund
  - Trust in your loan officer's judgement!
  - RE equipment depreciates
    - AND.....

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- Don’t chicken out!!

