

January 21, 2025

Phillip Murphy  
Montana Renewables LLC  
1807 3<sup>rd</sup> St NW  
Great Falls, MT 59404

Dear Mr. Murphy,

The Montana Department of Environmental Quality (DEQ) received an application on December 23, 2024 from Montana Renewables LLC for an abatement of property tax liability on renewable energy manufacturing facilities and on sustainable aviation fuel production facilities. DEQ's Energy Bureau has conducted a review of the application pursuant to the applicable Montana laws and administrative rules, including 15-24-3111, and 15-24-3102, Montana Code Annotated (MCA) and Administrative Rules of Montana (ARM) 17.80.202(1) and ARM 42.22.1318.

The application that Montana Renewables LLC submitted to DEQ indicates that the facility is requesting a tax abatement pursuant to 15-24-3111(3)(h), MCA as a renewable energy manufacturing facility. However, on January 16, 2025, Montana Renewable LLC clarified that it intends to seek a tax abatement pursuant to 15-24-3111(3)(g), MCA as a renewable diesel production facility and/or pursuant to 15-24-3111(3)(o), MCA as a sustainable aviation fuel production facility. Montana Renewables LLC clarified that it does not intend to seek a tax abatement pursuant to 15-24-3111 (3)(h), MCA, renewable energy manufacturing facilities as stated in the application.

DEQ finds the application to be incomplete and requests the following information to clarify and supplement your application.

1. DEQ requires additional documentation that Montana Renewables LLC's renewable diesel facility meets the standards and definitions set forth in 15-24-3102(18), MCA for renewable diesel production. Montana statute defines renewable diesel as "a biomass-derived fuel that is suitable for use in diesel engines that is hydrocarbon produced by hydrotreating and also through gasification, pyrolysis, or other biochemical and thermochemical technology, or any combination of these technologies. The term includes renewable diesel fuel that meets the ASTM D975 specification for petroleum diesel in the United States." The certificate from International Sustainability and Carbon Certification (ISCC) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and ISCC PLUS Certifications included in the application do not demonstrate that the renewable diesel produced at the Montana Renewables facility meets the American Society for Testing and Materials (ASTM) D975

specification. Please provide documentation that renewable diesel produced by Montana Renewables LLC meets the ASTM D975 specification and provide a detailed description of the technologies and processes used to produce renewable diesel at the Montana Renewables LLC facility.

2. DEQ requires additional documentation that Montana Renewables LLC's sustainable aviation fuel production facility meets the standards and definitions set forth in 15-24-3102(23), MCA for sustainable aviation fuel. Montana statute defines sustainable aviation fuel as "an aviation fuel derived from renewable resources that enables a reduction in net life cycle carbon dioxide emissions compared to conventional fuels. The term includes fuel that meets the ASTM D7566 specification for nonpetroleum synthesized jet fuel in the United States." The certificate Montana Renewables provided from ISCC CORSIA and PLUS Certifications does not demonstrate that the sustainable aviation meets the ASTM D7566 specification. Please provide documentation that sustainable aviation fuel produced by Montana Renewables meets the ASTM D7566 specification. Please also provide documentation that the aviation fuel produced by Montana Renewables LLC enables a reduction in net life cycle carbon dioxide emissions compared to conventional aviation fuel.
3. DEQ requires additional information to determine which components of the facility are integral to renewable diesel and/or sustainable aviation production. The application includes a list of assets with installed cost totalling \$433,073,644. Please provide a list of renewable diesel and/or sustainable aviation fuel production facility assets and include a detailed explanation of how each asset is integral to the renewable diesel production facility and/or sustainable aviation fuel production facility.
4. Please clarify if renewable naphtha is produced at the facility as a primary product, or a residual product from renewable diesel and sustainable aviation fuel production.

Please supplement your application or submit a new application with the additional information requested above. Please do not hesitate to reach out should you have any questions.

Regards,



Ben Brouwer  
Energy Bureau Chief