



*Clean Energy Program*  
*Small Hydropower Initiative*

**Wholesale Generation Project Assistance**  
**(Solicitation No.2008-SHI-01)**

**Questions and Answers**  
October 17, 2007

<b>QUESTIONS</b>	<b>ANSWERS</b>
1. Can a pre-paid REC contract be paid down faster than the contract requires? Would there be any penalty for doing so?	As stated in Section 3.1.2 of the Solicitation, the Awardee of a pre-paid REC contract may turn over RECs at a faster rate than required by the contract. There would be no penalty for doing so.
2. If an Awardee generates fewer RECs than needed to pay down a pre-paid REC contract, what happens?	As stated in Section 3.1.2 of the Solicitation, the Awardee must turn over as many RECs as possible and make up the deficit as soon as additional RECs are generated. If at the end of 10 years, the Awardee has not fully repaid the contract, MTC, in the sole exercise of its discretion, shall either 1) require a cash payment for the deficient RECs, at \$21 per REC, or 2) continue the Awardee's obligation to turn RECs over to MTC for as long as necessary until the nominal value of the contract has been repaid.
3. What kinds of RECs can be the subject of a pre-paid REC contract?	As stated in Section 3.1.2 of the Solicitation, qualified RECs include Connecticut's Class 1, Rhode Island's New Renewable Resource class, or New Hampshire Class 1.
4. Must a facility already be qualified for the eligible RECs at the time of application for a pre-paid REC contract?	No. The facility need not be qualified at the time of application; however, MTC must be assured that the facility will be qualified upon the start of the operations that generate the incremental power associated with the funded project.
5. May an applicant submit more than one type of award application (grant, loan or pre-paid REC contract) for the same project?	No. Applicants are required to select one approach. MTC will consider only one application per project. As noted in Section 3.1.2 of the Solicitation, if an Applicant proposes a pre-paid REC contract but MTC judges the RPS-eligibility of the RECs to be questionable, MTC will consider the application as a request for a grant.
6. When do you expect awards to be made?	We hope to announce awards in early April 2008. If that target is not met, we expect to announce awards by early May 2008.
7. Given the anticipated award announcement dates, and the lead times needed to order equipment, it may not be possible to start a project during the 2008 low-flow season. Would it count against a proposal if project construction cannot begin until 2009?	We expect that most projects would face similar scheduling challenges. Regardless, the inability to begin work on a project until 2009 will not have a negative impact on MTC's evaluation of a proposal. MTC is more concerned with the reasonableness of the schedule presented and the ultimate in-service date.
8. The Solicitation states that MTC prefers projects at facilities that are in good condition (Section 4.2). Would the fact that rehabilitation work is currently ongoing or planned count negatively for a proposed project?	No. Work that is ongoing or planned to occur independently of a project proposed to MTC would not have a negative impact on MTC's evaluation of a proposal for a project at that facility.