



*Clean Energy Program
Small Hydropower Initiative
Hydropower Project Assistance
(Solicitation No. 2008-SHI-02)*
Questions and Answers
August 27, 2008

No.	Question	Answer
1.	Can funds be used for dam improvements, tailrace dredging, automatic trash racks, or other non-generation equipment?	Yes, as long as the proposed project results in increased generation.
2.	Are projects at state-owned facilities eligible?	Yes.
3.	Are projects within Massachusetts “municipal light plant” communities eligible?	Projects located in areas served by Massachusetts municipal electric companies are eligible, but must meet the requirement that no more than 25% of the electricity generated is consumed onsite.
4.	Does the 25% minimum applicant cost share apply to the total project, or just the elements for which MTC support is sought?	The 25% minimum cost share applies to the elements for which MTC support is requested, however, the contracted project must include all elements necessary to achieve the incremental annual generation claimed in the application within the timeframe claimed.
5.	Can equipment count toward the 25% applicant cost-share?	Yes. The proposal should state the fair market value of the equipment and how that value was determined. MTC may verify that value by independent means.
6.	Does MTC have a claim on the Renewable Energy Certificates generated by a project funded by an MTC grant or loan?	No.
7.	Can a project seek funding from both the Small Hydropower Initiative and the Large Onsite Renewables Initiative?	No. Even if the project meets the eligibility criteria for the solicitations under both initiatives, the applicant must choose only one to which they apply. An applicant may not have proposals for the same project under active consideration by both Initiatives at the same time. If MTC receives two proposals for the same project, only the first received will be considered. However, if a proposal is rejected, the applicant may submit a proposal to either Initiative in any future solicitation rounds, as long as only one proposal is under active consideration at any time.



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8.	The minimum technical requirements call for a 5-year warranty, which is not typical for hydropower equipment. Will MTC accept any alternative assurances?	If an equipment warranty is for less than 5 years, the difference can be made up with a service contract to cover the remaining time period, e.g., a warranty of 2 years should be supplemented with a service contract for 3 years.
9.	Owners of some hydropower facilities repair even major equipment themselves. Will MTC accept “self-warranties” for equipment?	In this case, the applicant must show evidence of a repair reserve account with adequate funds to ensure ongoing operation of the facility for up to 5 years. Resumes for the applicant’s key personnel should also indicate a level of in-house expertise capable of conducting such repairs.
10.	Under a pre-paid REC contract, can the counter-party pay back the RECs more quickly than the contracted schedule? Even if REC prices have dropped substantially?	Yes. The counter-party may turn RECs over to MTC faster than the rate specified in the contract, regardless of the then-current value of the RECs.
11.	Is there a limit on the number of proposals by an applicant?	No, there is no limit on the number of applications per applicant, but no more than one application may be submitted per facility.
12.	For the Small Hydropower Initiative, under Section 2. of the Minimum Applicant and Project Requirements and the criteria on Public Procurement Compliance, an example of demonstration of compliance with MA public procurement laws is “.. a proposed team must be assembled in compliance with Massachusetts Public Procurement Law prior to the submittal of a SHI application to MTC. ” If the applicant has a track record of project implementation, and would like to assemble its consultant team after the submittal of the SHI application, rather than before the submittal, and is committed to abiding by MA. Procurement law and to a competitive procurement, is that acceptable?. Would the project meet MTC’s minimum qualifications? All other things being equal, could the grant application be considered competitive?	The consultant/subcontractor team must be assembled prior to application; an application without its team identified would not meet minimum requirements. MTC may waive this requirement in the case of those public entities, such as municipalities, for whom the funds for the project are legally required to be in hand before the entity can engage in the public procurement process. Entities who believe they may qualify for such a waiver should contact MTC individually.