

**QUESTIONS AND ANSWERS
RFP FOR RENEWABLE ENERGY PROJECTS
SEPTEMBER 2, 2014**

	Question	Answer
9.	<p>Given the emphasis on grants for new projects, I thought the increase would mainly be for Class I and II RECs and not Class III or IV, which I thought apply to existing projects online prior to 2006. Why would eligible projects generate Class III or IV RECs?</p>	<p>A Class III source can become eligible now if it is an existing biomass source that began operation prior to January 1, 2006 and then adds pollution control equipment (or an alternative emission reduction plan) to meet the emission requirements. Also, a Class III source that becomes a new facility by investing 80 percent of its resulting tax basis and then is eligible as a Class I source can opt to be a Class III source.</p> <p>For Class IV, if a source greater than 1 MW and less than 5 MW began operation prior to January 1, 2006 then later adds fish passages approved by FERC, then it is eligible for Class IV.</p>