Frequently Asked Questions – Part II

Q. How did the Board change Policy 117 at the December 2008 Board meeting?

A. The Board agreed to shift the payment schedule originally adopted in June when approving Policy 117 by one year.

Q. What is the purpose of this shift?

A. The Board and staff recognized that it takes time to develop and make new projects operational. Since payment under Policy 117 is tied to performance of new projects, the policy change recognizes that few if any projects will be operational in 2008, the first year of the original payment schedule.

Q. What is the effect of this shift?

A. The effect of this shift will ensure that projects commencing in 2009 will be entitled to the full three years of maximum premium payment as opposed to two years if the original schedule commencing in 2008 remained in effect. The further effect of this is to continue to tie the premium payment to ½ of 1% of retail electric revenue for the participating Member. The one year shift in maximum payments is illustrated below for projects placed in service in those years:

2009 -- 2011	$44.24
2012 – 2015	$14.97
2016 – 2020	$ 8.50
2021 and beyond	$ 5.70

Q. If a Member has renewable entitlements available during 2008 how will it be reimbursed?

A. Any Member that has renewable entitlements available during 2008 that are eligible for state RPS retirement purposes will be reimbursed on the basis of the original schedule for partial year 2008.

Q. The policy schedule still retains the 1, 3, 6, 10% "ramp-up" for RPS compliance but the year-group has shifted one year with the shift in the payment schedule; how will compliance be handled?

A. Member compliance will be guaranteed, just as was the case before the payment schedule shift. For a Member that is meeting the 1% (or less) for premium payment in 2011 when there is a 3% compliance obligation, Tri-State will cover the shortfall through its renewable resource portfolio. For a Member that has generation in excess of the 1%, Tri-State will pay for those RECs based on the market price at the time the contract is executed This will ensure that the premium payment remains tied to ½ of 1% of retail electric revenue for the participating Member.