



Hydropower Potential

National Landscape | Priorities

The National Landscape

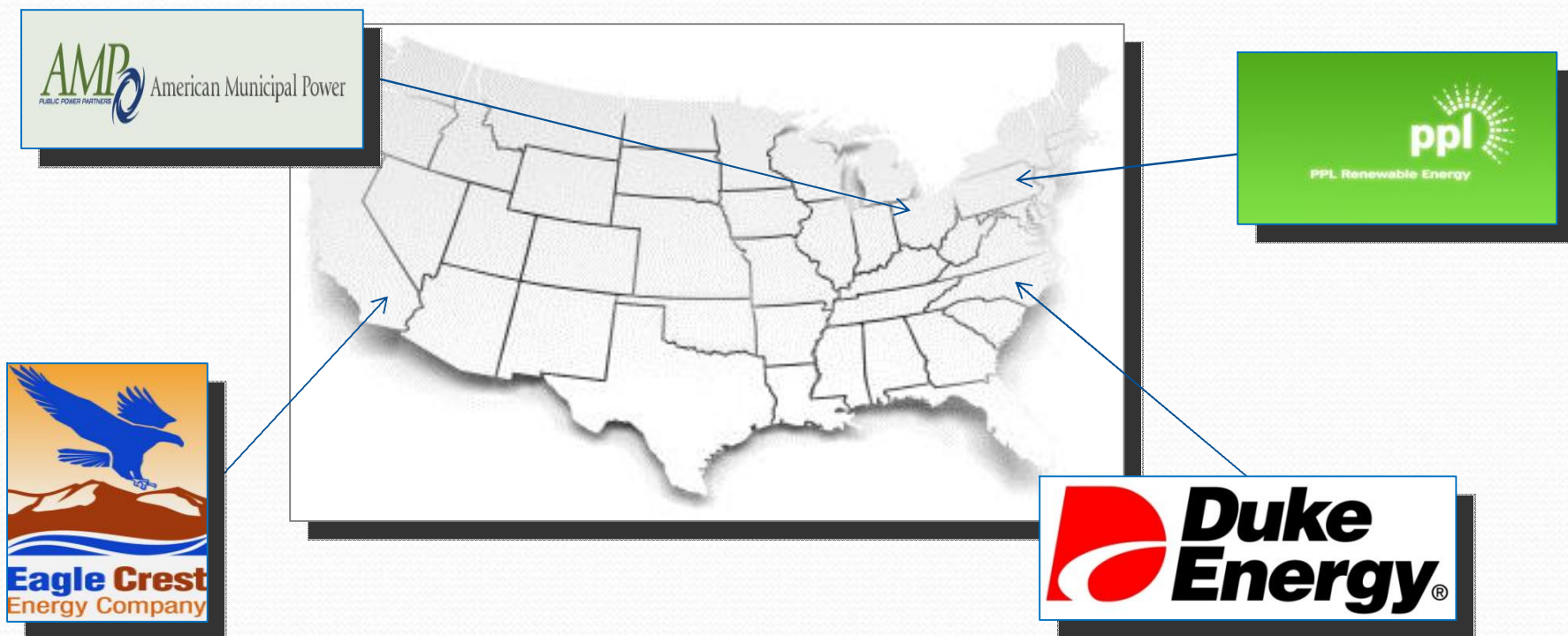
Bipartisan | Regionally Diverse

Bipartisan Support

- Hydropower has multi-region and bipartisan support
- Hydropower Improvement Act – co-sponsors include Sens. Murkowski (R-AK) and Bingaman (D-NM) and 7 others
- Incentives for hydropower and MHK technologies championed by both parties.
- Consensus in the 111th Congress for inclusion of hydropower in various policies

Projects Across the U.S.

Hydropower projects are underway around the country, bringing new jobs and low-cost electricity to many states.



National Growth Potential

- Applications/Exemptions Filed: **37 projects, 3000+ MW, 23 states**
- Preliminary Permits Issued: **394 projects, 48,000+ MW, 47 states**
- Preliminary Permits Pending: **355 projects, 37,000+ MW, 29 states**

**Total FERC Pipeline:
88,000+ MW**

Hydropower Priorities

Regulatory | Tax
Energy Standard | R&D

Overview

What it will take:

NHA supports a CES goal of generating **80% of America's electricity from clean and renewable energy** – a goal achievable only with a significant role for hydropower.

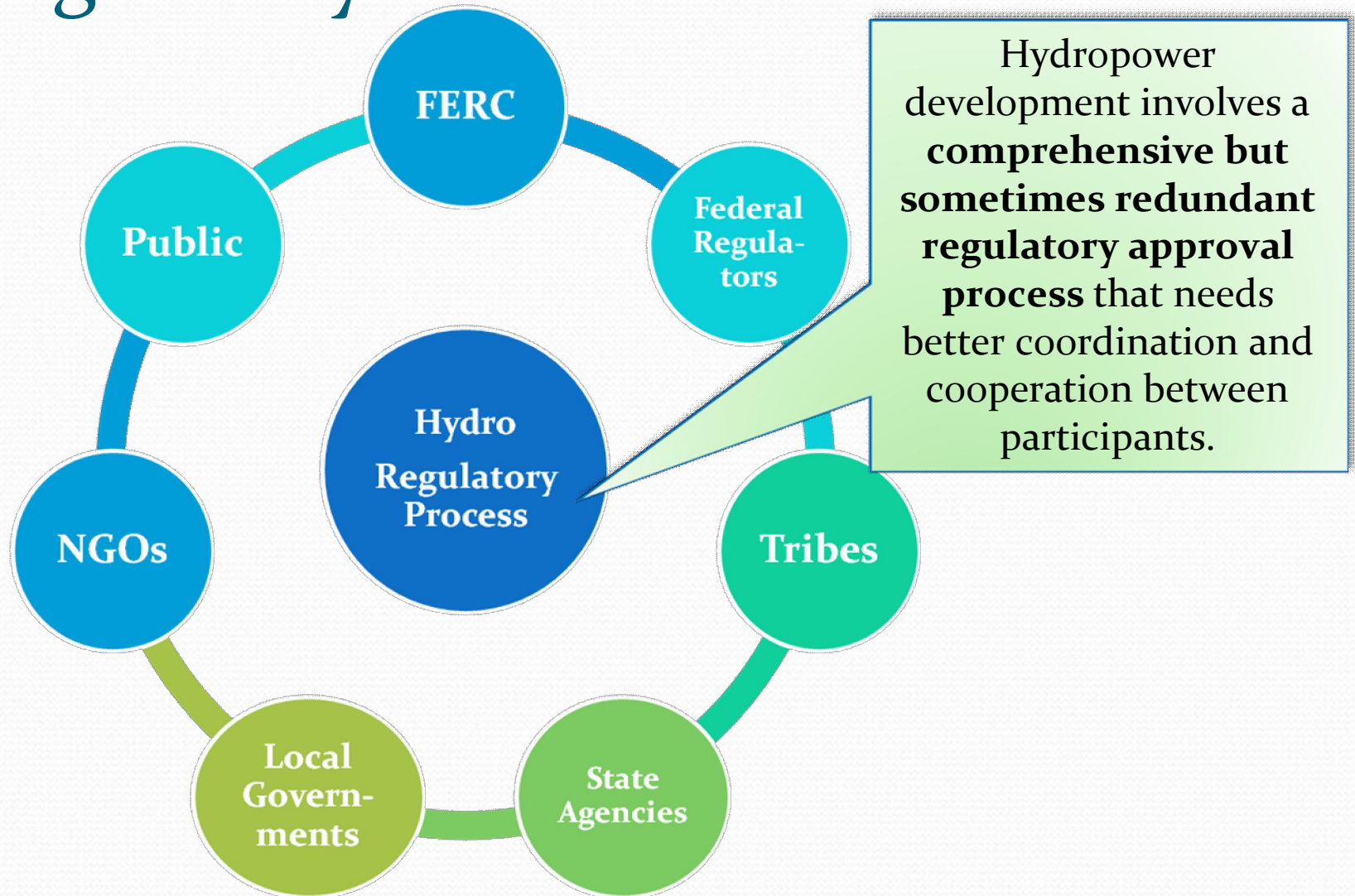
A more efficient regulatory process

Economic incentives to support project development

A national clean and renewable electricity standard

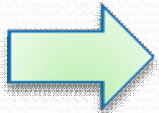
Research and development

Regulatory Process



Regulatory Process

Making the regulatory process more efficient includes:

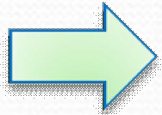


Facilitating private hydropower development on Army Corps of Engineers and Bureau of Reclamation Facilities



An expedited licensing process for minimal impact projects (such adding electric generation on existing dams and closed-looped pumped storage projects) that takes no more than two years.

Regulatory Process

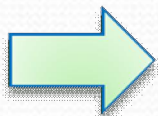


Support for small hydro and conduit power developers, so that the regulatory process provides assistance and is not a disincentive to project development.

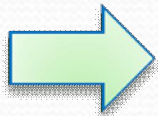
Improvements can be made to the regulatory process that speed both the deployment as well as the environmental enhancements and benefits of hydro projects.

Incentives

Straightforward updates to existing renewable energy tax credit programs should be enacted:



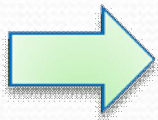
Equalizing the production tax credit for hydropower. Currently hydropower receives only half the credit available to other renewable energy sources.



Allowing energy storage, specifically pumped hydro storage, to qualify for the ITC and CREBs (Clean Renewable Energy Bonds) Program. Expanding our nation's energy storage capacity is essential to ensuring a secure and stable grid as well as integrating more renewable energy.

Incentives

NHA strongly supports existing renewable incentives:

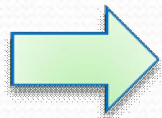


Long term extension of existing programs such as the PTC and ITC is needed, along with additional funding for oversubscribed programs such as CREBs and the 48C ITC for renewable energy equipment manufacturers.

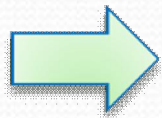
Hydropower project development can have high upfront costs and long lead times. Though cost-effective over the life of the project, utilities, developers and investors need certainty with the incentives.

A Clean and Renewable Electricity Standard

The Clean Energy Standard is a different policy paradigm than the Renewable Energy Standard. As such, the treatment and recognition of hydropower must be re-evaluated. Two examples:



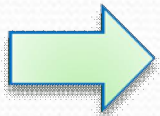
Existing hydropower generation should be counted if generation from other clean resources qualifies (wind, nuclear, etc.) Hydropower should be treated equitably in comparison to other existing resources.



Energy storage, specifically **pumped hydro storage**, will play a critical role to firm and integrate intermittent resources and increase their contribution to the CES goal. The CES should include a mechanism to provide recognition of clean generation from pumped storage projects – both existing and new.

Research and Development

As the Congress debates budget priorities, funding for hydropower R&D is imperative.



President Obama's proposed FY 2012 budget increases DOE spending for all types of renewable energy with the exception of the Water Power program, with a proposed budget reduction of over 20%.



Congress must continue to invest, not retreat, on **R&D funding for the next generation of hydropower and MHK technologies** to achieve the country's vision for clean energy deployment.

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