Making the Case for Further Hydropower Licensing Reform

It has been 10 years since Congress enacted major reforms to the Federal Power Act (FPA) provisions governing the licensing, relicensing and regulation of the nation’s non-federal hydroelectric power projects. The Energy Policy Act of 2005 (EPAct 2005) was an important step forward. However, a decade later, experience has shown more needs to be done to preserve existing hydropower resources and make new hydropower development more cost-competitive with other energy options.

Over the next 10 years, the existing FERC licenses will expire for nearly 250 hydropower projects, totaling more than 11,000 MW in installed capacity. Moreover, recent studies have found tremendous potential for new development – including the use of existing dams and other infrastructure. Opportunities are also available to expand existing hydropower projects, deploy new conduit power projects, and advance low-impact greenfield sites.

Without meaningful reform though, the current regulatory regime will continue to present a disincentive to developing these clean and reliable hydropower projects.

Guiding Principles

NHA recognizes that there will be many ideas and potential options for reform and improvement. As ideas are presented and discussed throughout the legislative process, NHA will apply following guiding principles:

**Promotion of Hydropower** – Reform must recognize the value of hydropower as a critical component in the nation’s energy supply portfolio. Policies must seek to reduce regulatory costs, shorten the length of time for approvals, and generally “level the playing field” with other electric generation resources.

**Environmental Protection** – Reform must preserve the ability of federal and state regulators to appropriately protect, mitigate and enhance natural resources affected by hydropower.
Process Modernization – Reform must minimize duplicative environmental reviews and regulatory approvals of federal and state agencies.

Schedule Certainty and Discipline – Reform must reduce uncertainties in the FERC licensing and relicensing processes, eliminate unnecessary and duplicative studies, create discipline in the schedule, and reduce the time for obtaining approvals.

Balanced and Informed Decision Making – Reform must establish federal and state regulatory agency decision making that is supported by credible scientific and technical information without duplication or extraneous work. All agency decision making must equally consider developmental and non-developmental values.

Clear Standards – Reform must establish clear standards for federal and state agencies to base their conditions and recommendations for FERC-licensed hydropower projects.

Existing Infrastructure – Reform must promote the efficient and cost-effective approval of hydropower at existing infrastructure, and establish the scope of environmental review and approval to be commensurate with the scope of development.

A Call to Action

The time is now to seek meaningful improvements in the nation’s hydropower licensing process that will match today’s policies that value and promote clean, renewable energy development, and support environmental, recreational, and other public benefits that result from these projects.

NHA calls on Congress to adopt new policies that promote efficiencies in environmental reviews, eliminate redundancies, and prioritize progress over process – without compromising environmental standards. In doing so, the U.S. will expand the hydropower resource, while also providing steady jobs, economic growth, and more reliable, clean and renewable energy.