Forecast for energy provisions in the lame duck remains cloudy

After taking a one-week break for the Thanksgiving holiday, Congress reconvened the lame-duck session this week, which could continue for another two or three weeks. But prospects for action on energy legislation are fading, as Republicans look to put off most substantial unfinished bills until the next Congress. With large chunks of floor time required for items such as the expiring Bush tax cuts, a continuing resolution for FY 2011 spending, unemployment insurance and food safety, other measures not deemed essential could be squeezed out.

Despite the increasingly long odds, advocates continue to press for Senate action this year on a renewable electricity standard (RES), a bill promoting use of vehicles powered by natural gas and electricity, a revamp of offshore drilling rules and an “omnibus” package of public lands bills. There is also a hard push for extensions of expiring energy tax credits, as well as two key Recovery Act provisions favoring renewable energy producers and manufacturers.

Among the victims of the lame-duck time crunch could be the RES bill. Sen. Jeff Bingaman (D-NM), the Energy and Natural Resources Chairman and the bill’s sponsor, said he was “not particularly optimistic” about the bill’s chances for a vote after he left a Nov.18 meeting of Senate Democrats on priorities for the lame-duck session. Bingaman said the RES bill was not discussed during the meeting.

NHA and the other renewable industries are also closely monitoring possible action on the Recovery Act's section 1603 program, which provides a 30 percent cash grant in lieu of tax credits for qualified renewable energy development projects, and is set to expire on Dec. 31. The industry is also seeking additional funds for the Act’s section 48C advanced energy manufacturing tax credit, which has exhausted its allotment. Section 48C allows domestic companies producing clean energy technology, including hydropower and marine and hydrokinetics, to write off 30 percent of the cost of building, expanding or re-equipping their facilities.

“There are a lot of negotiations going on right now,” Sen. Debbie Stabenow (D-MI) on Nov. 17. “The first thing people have to agree on is what they want to do, and then we'll find a vehicle.” Sen. Maria Cantwell (D-WA) told reporters she is “fighting” to extend the 1603 grant program.

It is possible an extension of these provisions could be included in a continuing resolution for FY 2011 spending for the federal government or as part of a package that includes resolution on the extension of the 2001 and 2003 tax cuts signed by President Bush. Action on the CR and the tax cuts are the two main drivers in the
Lame duck with all other issues taking a lower priority until they are worked out.

Looking to Next Congress

On Nov. 16, Senate Democrats who supported the failed cap-and-trade effort met to discuss “piecemeal” ways they could advance energy legislation with Republican support in the next Congress, such as incentives for low-carbon energy and energy efficiency. On the House side, Energy and Commerce Committee Chairman Henry Waxman (D-CA), who will serve as ranking member on the committee next year, said he expects the House to get little done on energy legislation in the next two years.

For Republicans in the Senate, the still unresolved race for Sen. Lisa Murkowski’s (AK) seat continues the uncertainty over the Republican leadership of the chamber’s Energy and Natural Resources Committee. Murkowski has stated her desire to continue to serve as ranking member on the panel. She has received some support from fellow Republican members, including a recent surprising statement from Sen. Jim DeMint (R-SC) who actively worked for her defeat during the election. However, Joe Miller continues to challenge the election results in court, which may hold up Murkowski taking her seat when Congress returns in January. Sen. Richard Burr (R-NC), the next in line for leadership on the panel, says he expects that Murkowski will retain her leadership position but is keeping his options open and waiting to see how the line-up plays out in the new Committee.

On the House side, four Republicans are vying for chairmanship of the Energy and Commerce Committee – Reps. Fred Upton (MI), Joe Barton (TX), Cliff Stearns (FL), and John Shimkus (IL). Analysts believe Upton has the inside track to the chair; however Barton, the current ranking member, is fighting the party rule on committee term limits to remain on top. Also, in a letter to the House Republican Conference on Nov. 18, Rep. Doc Hastings (R-WA), who is expected to chair the House Natural Resources Committee in the next Congress, proposed to break up the House Energy and Commerce Committee and consolidate its energy jurisdiction on his panel. Natural Resources has jurisdiction over public lands and waters, with authority over oil and gas drilling.

GOP members of the Energy and Commerce Committee took exception to the idea in their own counter-letter. Such a shift in jurisdiction is unlikely and would have to come in the form of a rules change voted on by the whole House in January.

Corps promotes better practices, announces MOU will be released soon

U.S. Army Corps of Engineers (Corps) staff from across the country met Nov. 17-18 in Atlanta, GA to discuss how the Corps can better facilitate communication with developers and support the development of non-federal hydropower projects at Corps facilities.

The purpose of the workshop was to bring together all Corps District and Division FERC Hydropower Coordinators with Headquarters staff, FERC staff, and representatives of potential non-federal hydropower developers to discuss the issues involved with FERC licensing of these projects.

The USACE workshop was a follow-up to last year’s workshop and was particularly focused on Section 408 permit issues. The theme of the workshop was “Beyond Cincinnati: Creating One Face to the Corps for Non-Federal Hydropower Development” with the primary objective/outcome being the establishment of consistent processes and procedures among Corps FERC coordinators for
NHA staff attended the meeting along with various representatives from the hydropower industry. Presentations included a welcome address by Major General Todd Semonite, Commander, South Atlantic Division; as well as discussions regarding: funding the Corps’ FERC coordination mission; Corps corporate policies on coordination with non-federal organizations on FERC licensing; FERC hydropower licensing processes overview by Mark Pawlowski, Office of Energy Projects, FERC; and remarks from the non-federal developer representatives.

NHA also learned that the FERC and the Corps have tentatively reached agreement on the substance of the update of the agencies’ MOU on hydropower licensing. Final approval of the document by both the leadership of the Commission and the Corps is now underway. It is anticipated that the MOU could be signed before the end of the year.

Though the text of the MOU will not be made available until signed, the MOU will seek to:

- coordinate information needs and encourage sharing of data;
- coordinate the processes of the two agencies; and
- coordinate the NEPA requirements to reduce duplication of efforts and delays.

NHA believes that an updated MOU supporting these concepts and demonstrating commitment to them sends a strong signal to the agencies’ staff, developers, and the financing community in support of hydro, and represents a significant and positive step in advancing non-federal hydro development at Corps facilities. The MOU update was a priority policy objective of NHA this year and was included in the draft hydro title NHA released earlier in May.

Industry examination of ILP concludes with constructive suggestions

The Federal Energy Regulatory Commission (FERC) concluded its evaluation of the effectiveness of the integrated licensing process (ILP) with a four hour technical conference at its headquarters in Washington, DC on Nov. 3. The evaluation, undertaken by NHA member Kearns and West, concentrated on five topic areas: study criteria; study plan development and review; post-filing coordination; general good process ideas; and other issues and ideas.

During the technical conference, solutions were proposed for each of these areas. For study criteria, it was suggested that the focus be shifted to the reason for the study and that there be more collaboration to submit stronger study requests. Collaboration was also cited as a solution during study plan development, as well as making study request more thorough. Kearns and West suggested that early coordination among FERC and the agencies on requirements like NEPA and ESA would enhance the post-filing period. FERC must also provide more upfront guidance on expectations of all participants through greater utilization of their website, trainings and scoping meetings.

Comments on the ILP effectiveness are due Dec. 3 and NHA staff has worked with committee chairs to draft comments for filing. All members are encouraged to file comments on the ILP by this date. It is not yet clear what actions FERC will take in response to these suggestions and comments.

Please e-mail NHA’s Matt Nocella (matt@hydro.org) if you would like a copy of the presentation from the conference.
BuRec seeks comments on hydro potential

The Bureau of Reclamation (BuRec) has made available for public review and comment the “Hydropower Resource Assessment at Existing Reclamation Facilities” (HRA) Draft Report.

The HRA is an assessment of the economic and technical potential for hydropower development at existing BuRec owned non-powered dams and structures. The document is available at: [http://www.usbr.gov/power/](http://www.usbr.gov/power/). Based on the technical and economic feasibility, the study suggests there is potential of 210 MW of generation capacity available at Bureau facilities. However, it should be noted that 93 sites were not studied due to a lack of available data.

NHA believes the potential at BuRec facilities is much higher and is working on comments that address the assumptions and methods Reclamation used in the report.

Submitted written comments on the draft report are due to BuRec by Dec. 6. NHA has requested an extension of this deadline and has been informed that it will be granted, but not before the first period closes. NHA will inform members of the updated deadline when it becomes available. Send written comments to Mr. Michael Pulskamp, Bureau of Reclamation, Denver Federal Center, Bldg. 67, P.O. Box 25007, Denver, Colorado 80225, or e-mail to mpulskamp@usbr.gov.

Hydropower trade groups tout sector’s growth

The directors of the National Hydropower Association (NHA), International Hydropower Association (IHA) and Canadian Hydropower Association (CHA) responded in a joint letter to hydropower’s lack of inclusion in the most recent assessment of the state of the global renewable energy industry released by the Renewable Energy Policy Network for the 21st Century (REN21).

The assessment, titled “Renewables 2010 Global Status Report,” was released at the end of Sep. and details the current status and key trends of global markets, investment, industry and policies related to renewable energy. The report concludes that by 2010, renewable energy had reached a clear tipping point in the context of global energy supply. However, the report includes scarcely any reference to the world’s hydropower sector, and focuses only on hydropower projects with less than 10MW of capacity.

NHA’s Linda Church Ciocci, IHA’s Richard Taylor and CHA’s Jacob Irving wrote to the report’s authors calling that the lack of inclusion of hydropower a shortcoming in the report. Particularly so as hydropower delivered the vast majority of renewable electricity in 2009 and deployed an additional 30 GW of new renewable capacity in the same year.

The trade groups’ response to REN21 concludes that the hydropower industry seeks to promote the substantial and inspiring growth of all renewables and that hydropower forms a significant part of that progress, deserving of coverage to reflect a complete picture of the world of renewable energy.
REN21 is the global policy network that provides a forum for international leadership on renewable energy. Its goal is to bolster policy development for the rapid expansion of renewable energies in developing and industrialized economies. Open to a wide variety of stakeholders, REN21 connects governments, international institutions, non-governmental organizations, industry associations, and other partnerships and initiatives.

**Administration committed to improving LGP effectiveness**

The Department of Energy’s Loan Guarantee Program (LGP) will undergo a streamlining, according to the White House Office of Management and Budget (OMB).

A memo to President Obama, submitted in October, laid out several recommendations to rework the program, including moves that would have ended the program altogether. It suggested moving funds from the loan program to the renewable energy grants programs. The grants program takes 4 to 6 weeks to secure approval, while the loan program takes up to 6 months. As a result, the loans have only been awarded to 8 to 12 companies, while the grants have funded 3,851 projects.

But the Obama Administration remains committed to the program and will work to improve it and take less time. A spokesman for OMB said that they are working to make the program run “more smoothly…take less time,” as well as “protect tax payer interest” but provided no further detail.

The program guarantees loans, with the federal government promising to repay a loan if a company is unable to, enabling better interest rates and lower costs for a project’s financing. The Administration has been using them to spur the development of renewable energy resources, such as conventional and pumped storage hydropower.

**January 15th: Deadline for Dues Payment**

Your 2011 dues invoice was mailed to all primary members in mid-November. If your company has not received its invoice, please contact Kimberly Costner at kimberly@hydro.org. If you should need additional information before processing your invoice, please do not hesitate to contact Linda Church Ciocci at Linda@hydro.org.

For your convenience, we do accept American Express, Mastercard, Visa, or bank wire transfer. If you do wish to pay by credit card, contact Kimberly Costner (202.682.1700 ext. 14) with account information. A copy of your credit card receipt will be e-mailed directly to you.

We hope that you will give serious consideration to continuing your support of NHA and making a tax deductible contribution to the HRF. There is much work ahead of us in the coming year. Your support of NHA’s agenda will make all the difference in our ability to provide a strong, unified voice in Washington. NHA would like to thank you for your past support.
First-ever Small Hydro Workshop is a success!

Sixty-four hydro professionals participated in the first-ever Small Hydropower Workshop sponsored by NHA’s Small Hydro Council, held in Manchester, New Hampshire on Nov. 17. The Workshop was divided into six segments.

Linda Church Ciocci opened the workshop with a discussion of NHA activities in support of small hydro development. In the first session, Shana Murray from FERC and Rita Hayen from TRC Companies discussed the FERC Process for small hydro (covering licensing, permitting, exemptions and amendments).

In the second segment, Maureen Winters from Normandeau and Randy Dorman from Kleinschmidt provided tips for working with state 401 agencies, resource agencies and the Army Corps. Segment three was led by Jeanne Hilsinger from Mavel and Rajesh Dham from the DOE, addressing enhancements in equipment and technology for small hydro.

In the fourth segment, Chuck Alsberg from NAH and Paul Ducheney from HG&E provided tips on operations and maintenance. The fifth segment addressed dam safety issues for small hydro with Jerry Cross from FERC-NYRO and Jim Thrasher from AEP presenting. In the sixth segment, Dave Youlen from Free Flow Power and Sonya Reiser from Knight Piésold discussed financing small hydro. Attendees at the Workshop engaged in open discussion of the issues at the end of each segment’s presentations.

In closing, Nancy Skancke and Chuck Alsberg, Co-Chairs of the Small Hydro Council, encouraged all participants who were NHA members to get involved in the work of the council by signing up for the council listserv and indicating which working group(s) were of interest. Non-NHA members were encouraged to join NHA and support the industry efforts. NHA hopes to have additional workshops, for small hydro and other issues, in the coming year.

Finally, NHA would like to thank Nancy Skancke whose leadership in organizing and implementing this workshop was crucial to its success!

Reminder: Don’t forget to submit your OSAW applications and Henwood nominations

It's not too late! The 2011 Outstanding Stewards of America's Waters (OSAW) applications are due to the National Hydropower Association on Wednesday, Dec. 15, 2010.

Take this opportunity to share your accomplishments with the hydropower industry and fill-out the 2011 OSAW Award application. OSAW winners achieve industry recognition and receive local and national media attention. NHA will once again honor winners Washington, DC, in conjunction with the NHA Annual Conference.

Please visit: http://www.hydro.org/awards/2011%20OSAW%20Call%20for%20Awards.pdf to download the application.

Please remember to submit your Henwood letters of nomination to Doug Miller of American Hydro and the Henwood Selection Committee Chair at dmillner@ahydro.com by Jan. 19, 2011. This award is the highest individual honor in the hydropower industry and recognizes a member of the hydropower community for his or her
outstanding service and leadership.

This is a unique opportunity to recognize an exemplary advocate of hydropower who:

- is unusually dedicated to advancing hydropower as a source of clean, renewable energy
- understands the relationship among project engineering, environment, and economics
- shows persistence, even in the face of obstacles
- is an energetic and enthusiastic leader

Nominations, which include a letter of support outlining how the candidate meets the above criteria, are due on Jan. 19, 2011. To learn about past winners and the history of the Dr. Kenneth Henwood Award, please visit http://www.hydro.org/awards/kenneth.php.

For more information, contact Kathryn Steele at Kathryn@hydro.org.

Hydro Research Foundation fellow application now available

The Hydro Research Foundation (HRF) is soliciting applications for 15 new hydro fellowships for 2011. These fellowships are made possible by a $3 million grant from the Department of Energy and are designed to attract outstanding new researchers to hydropower.

Applications are due Mar. 11, 2011, with announcement of fellows on May 15, 2011. Research priorities along with application materials will be available online at www.hydrofoundation.org.

Two-year fellowships will be awarded to approximately 15 graduate and doctoral level students throughout the United States who will be conducting research directly related to hydropower.

Northeast Regional Meeting – My, Have We Grown!

Held at Public Service of New Hampshire’s Energy Park, this year’s Northeast Regional Meeting drew well over 100 hydro enthusiasts on Nov. 16, tripling the number of people who attended the very first NHA regional meeting held in 2005. The 2005 meeting was also held at PSNH’s Energy Park, so returning to this wonderful facility was especially meaningful. The regional meeting program has grown tremendously over the past 5 years.

Mayor Ted Gatsas of the City of Manchester, NH and John MacDonald, PSNH Vice-President – Generation, welcomed the group and kicked off a full day of interactive sessions. Panel discussions covered operations, public affairs and fisheries. The operations panel comprised representatives of several hydro operators and Oak Ridge National Laboratory in which they discussed the implications of converting hydropower operations to run-of-river operations. The public affairs panel featured several hydropower owners and operators who focused on best practices for communicating with the public, and the fisheries panel discussed recent developments regarding the provision of fish passage for endangered Shortnose Sturgeon, Atlantic Salmon, and the American Eel.
This meeting was co-located in Manchester with the NHA Small Hydro Council’s Small Hydropower Workshop, which was held the next day. Many of the regional meeting attendees were among the 64 people at the workshop.

Special thanks to our the planning committee for this meeting, to PSNH, and to the following member companies for sponsoring this event: Alden Research Laboratory, Alstom, Brookfield Renewable Energy, Cardno ENTRIX, Gomez and Sullivan, HDR|DTA, Hiscock & Barclay, LLP Kleinschmidt Associates, Normandeau Associates, New York Power Authority, Public Service of New Hampshire, The Louis Berger Group, TransCanada, TRC Companies, and Voith Hydro.

Plans for the 2011 regional meeting schedule are underway and will be announced in future issues of NHA Today and will be posted on www.hydro.org.

**FERC proposes new utility services for customers**

The Federal Energy Regulatory Commission (FERC) will issue a Notice of Proposed Rulemaking (NOPR) on the Integration of Variable Energy Resources (VER). The NOPR proposes that public utility transmission providers be required to offer all customers the option to schedule transmission service at 15-minute intervals. It will also propose that customers whose generating facilities include variable energy provide meteorological and operational data to transmission providers. Transmission providers will be encouraged to implement power production forecasting and have the opportunity, through a newly proposed schedule, to recover costs associated with the integration of variable energy resources.

“Today the Commission is proposing to require public utility transmission providers to offer a new ancillary service—generator regulation service—to transmission customers delivering energy from a generator in its balancing area. This service will provide the resources necessary to continuously balance the system by following the moment-to-moment changes in generation output,” said FERC Chairman Jon Wellinghoff.

Comments on the NOPR will be due 60 days after being published in the Federal Register. It has not yet been published in the register, but the text of the NOPR can be found on the FERC website under “Headlines”.

FERC published a Notice of Inquiry in the Federal Register in January requesting industry and stakeholder input on their regulatory policies to integrate variable energy resources into the nation’s electricity grid. NHA filed comments which discussed the benefits of hydropower and pumped storage projects to assist in the integration of VERs, the Denmark example of hydropower’s contribution to VER integration, policies needed to incentivize pumped storage development, and the potential impact of VERs on hydropower operations.

The full comments can be found on the members’ side of the NHA website.

**Hydro project among USDA REAP Recipients**

In November, the USDA announced the renewable energy and energy efficiency projects that are recipients of loans and grants through the Rural Energy for America (REAP) Program. This cycle of loans and grants amounted to $30 million and were distributed to organizations across the country. These loans and grants can be used
Renewable Natural Resources Foundation releases report

The Renewable Natural Resources Foundation (RNRF), on Nov. 17, held a briefing on the Hill, discussing their recently released report, "Assessing America’s Renewable Energy Future." The briefing focused on transmission challenges and the cost of renewable energy.

The report outlines the current status of all of the renewables in the U.S., their potential for the future, and the challenges the renewable industries face. NHA’s Executive Director Linda Church Ciocci, along with Brennan Smith of Oak Ridge National Laboratory and Kamau Sadiki of the U.S. Army Corps of Engineers spoke about hydropower at the 2010 RNRF Congress. Their presentations were used as the basis of the hydropower section of this report, outlining the current contributions of hydropower and the future potential for expansion.

Please visit http://www.rnrf.org/ for more information.

NHA has learned…

1. Job Opportunity: The National Hydropower Association seeks a Director of Public Affairs who will be responsible for internal communications with members and strategic external communications with news media, key stakeholders and the general public. Individual must demonstrate excellent verbal and written skills, be a strong team player, and have excellent interpersonal and marketing skills. Must have proficiency in Windows XP, standard office applications and working knowledge of Dreamweaver, HTML, Photoshop, and/or Illustrator. 3-5 years experience required. Energy experience a plus. Experience in website development and social media networking preferred. Send resume with writing samples to NHA, 25 Massachusetts Ave, N.W., Suite 450, D.C. 20001 or NHAJobOpenings@gmail.com with “Director of Public Affairs” in the subject line. No calls please.

2. Law Seminars International presents Energy in Alaska, a comprehensive conference on Dec. 6-7, 2010 focusing on emerging policies, new regulations, markets and resources. This conference will take place in Anchorage, AK. Please click here to learn more and register.

3. Energy Daily is currently seeking nominations for its 2010 Leadership Awards. They will select leadership winners in the following categories: Corporate Leadership, Public Policy, Most Innovative Technology, Most Dynamic Energy Practice, Most Innovative Campaign, and Most Successful New Energy Startup Company. Take this opportunity to nominate a member of the hydropower community! Please click here to learn more about the awards and enter a submission.

4. Lorman Education Services is offering a webinar called, “Obtaining Surety Bonds for Construction Projects,” which can be purchased and viewed at your
convenience. Please [click here](#) to learn more about this important webinar.

5. FERC’s **Dispute Resolution Service** (DRS) offers internal and external training services that it would like to extend to the hydropower community. Some examples of training services that have been offered in the past at no cost are: Introduction to Alternative Dispute Resolution, Facilitating Meetings and Technical Conferences, Facilitating Meetings and Technical Conferences, and Difficult Conversations. DRS can also create customized seminars based on your needs. Please contact Deborah Osborne at 202-502-8831 or [deborah.osborne@ferc.gov](mailto:deborah.osborne@ferc.gov) or Deirdre McCarthy Gallagher at 202-502-8078 or [deirdre.gallagher@ferc.gov](mailto:deirdre.gallagher@ferc.gov) for more information.