House and Senate action on energy and climate continues

Renewable Energy Standard

The Senate Energy and Natural Resources Committee recently completed a mark-up of its version of the renewable energy standard (RES) and sources tell NHA that the Committee could vote on the RES as early as Tuesday or Wednesday.

No additional changes are expected.

For hydropower resources, the definitions in the Senate version mirror those adopted by the House Energy and Commerce Committee in the American Clean Energy and Security Act. The bill would include the following as renewable resources:

- Incremental hydropower -- additions of capacity and efficiency improvements at existing hydro facilities
- Hydropower development at existing non-powered dams under certain criteria
- The suite of hydrokinetic technologies – ocean, tidal, instream, etc.

However, Senators Bingaman (D-NM) and Murkowski (R-AK) also agreed to include several additional categories of Alaskan hydropower that would also qualify under the RES. These include small hydropower, pumped storage and Alaskan lake taps. They also agreed to allow incremental hydropower development and new projects on non-hydro dams brought online since 1992 to qualify.

The 1992 date again mirrors a compromise adopted in the House Energy Committee that was part of an agreement with moderate committee Democrats. NHA worked with several Senate Energy Committee members urging them to support the 1992 date, once it was included in the House bill.

Renewable Energy Tax Incentives

The House Ways and Means Committee at this time has little appetite to work on additional tax incentives for renewable energy; NHA learned in a meeting with committee staff.

This makes it more difficult to secure changes to the tax code that the Association has long sought, such as production tax credit (PTC) parity for hydropower and hydrokinetics and incentives for pumped storage. As expected, committee staff pointed to all that was done for renewables in the stimulus bill and stated that other priorities, such as health care reform, were now the top items for the committee.

With this information, NHA is aggressively working Ways and Means Committee
offices directly on our issues. Specifically, we are lining up co-sponsors for a PTC parity bill authored by Rep. Meek (D-FL), which will demonstrate the support in the committee and the House for this measure.

NHA is encouraging our members to contact their congressional delegation in support of the bill, HR 2626. For assistance, see NHA’s Action Alert on our online advocacy site. Click on the Legislative Action Alert icon on the NHA homepage, www.hydro.org, to be directed to the site.

On the Senate side, NHA has heard a more positive message of including renewable energy tax items in the bill, and the Association is continuing to contact and work with Senate Finance Committee members.

**Climate Change**

Senate Environment and Public Works Committee Chairwoman Barbara Boxer (D-CA) recently announced plans to mark up climate change legislation this year in her committee, but left it unclear if that meant in July or the week of Aug. 3, when the Senate is scheduled to be in session.

Boxer had previously said she would not move forward on a bill until the House acted. With Reps. Waxman (D-CA) and Markey (D-MA) forging a compromise in the House Energy Committee and Speaker Nancy Pelosi (D-CA) pressing other House committees with jurisdiction on the bill to get it to the floor in June, the timing may now be right.

Boxer said she has reserved July for public hearings on climate issues and stated that she would start writing her climate bill based off the House legislation, though with some modifications.

While there are still several legislative hurdles to cross in both the House and the Senate (and the remaining uncertainty that there are 60 votes in the Senate to prevent a filibuster of the climate provisions), this summer will see significant steps taken on a climate cap-and-trade program.

For more information on NHA’s legislative program, please contact NHA’s Linda Church Ciocci or Jeff Leahey.

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**Obama nominates new FERC Commissioner, other key officials**

As his Administration rounds into shape, President Barack Obama continues to nominate officials to important energy and environmental posts.

On Thursday, Obama nominated John R. Norris as a Commissioner on the Federal Energy Regulatory Commission (FERC). Norris is currently the Chief of Staff to Agriculture Secretary Tom Vilsack.

Prior to arriving at the Department of Agriculture, Norris served four years as Chairman of the Iowa Utilities Board. He has also been a member of the National Association of Regulatory Utility Commissioners (NARUC) as well as a Board Member, Secretary, and President of the Midwest Independent Service Operator (MISO).

Norris has an extensive background in energy and environmental issues, having worked for the Center for Global and Regional Environmental Research at the University of Iowa. In 1999 and 2000, he chaired the Iowa Electric Restructuring Task
In addition to his experience in energy policy, Norris has worked in the political arena. He has served as Chief of Staff to Rep. Leonard Boswell (D-IA) and Vilsack, when the latter was the governor of Iowa.

Norris graduated with distinction from the University of Iowa College of Law in 1995 and received his undergraduate degree in 1981 from Simpson College in Indianola, Iowa.

Meanwhile, Obama has tapped Sam Hamilton to head the Fish and Wildlife Service (the Service). Hamilton has spent over thirty years with the Service and has served as the Southeast Regional Director since 1997.

As Director, Hamilton will play an influential role in how the Obama Administration addresses endangered species, wildlife refuges, and climate change adaptation.

Secretary of the Interior Ken Salazar stated, "Throughout his career, he has been an innovative leader in developing new conservation initiatives and resolving complex and controversial environmental issues."

On Wednesday, Obama also nominated Bob Abbey as Director of the Bureau of Land Management (BLM). Prior to retiring from the federal government in 2005, Abbey spent 32 years within BLM, including an eight year stint as BLM's Nevada state director.

Salazar praised Abbey’s experience within BLM.

"Through his decades of public service, Bob Abbey has shown again and again that he is the consummate professional natural resource manager," Salazar said in a statement.

A native of Mississippi Abbey has also served BLM’s Colorado associate state director and the BLM district manager for Mississippi.

Washington state, FERC reach MOU on hydrokinetics

Following in Oregon’s footsteps, the State of Washington has signed a memorandum of understanding (MOU) with the Federal Energy Regulatory Commission (FERC) on coordinating the processing and reviews of hydrokinetic projects in Washington state waters.

“This MOU will help reduce some of the regulatory barriers to providing consumers with access to this new form of renewable energy,” FERC Chairman Jon Wellinghoff said.

FERC Commissioner Philip Moeller, a native of Washington State, also welcomed the MOU as means of hastening the deployment of new hydrokinetic technologies.

"The next crucial step is to place some of these projects in the water so that any effects on the marine ecosystem can be thoroughly analyzed. It's time for action on renewable energy technologies."

Under the terms of the MOU, FERC and Washington state will notify each other of potential preliminary permit or pilot license applicants and develop a schedule with specific milestones that will direct the applicants through the permit or pilot licensing
processes.

To keep these processes moving, both parties will encourage stakeholders to comply with the schedules and to consult with them on environmental studies and other matters.

Finally, the MOU gives FERC the ability to take into consideration any siting plan that Washington state develops for hydrokinetic projects.

To read the official press release on the MOU, please visit www.hydro.org

Western Governors to Chu: support pumped storage

The Governors of Idaho, Montana, Oregon, and Washington state recently sent a letter to Energy Secretary Stephen Chu urging him to support the Bonneville Power Administration’s (BPA) requests for funding to assess sites for pumped storage and study grid flexibility and capacity options in the Pacific Northwest.

With 6,000 megawatts of wind energy projected to come online in the Northwest by 2013, the Governors' expressed a need to explore new options to integrate this intermittent resource into the Northwest’s energy grid. Currently, 2,000 megawatts of wind energy are operating within the BPA control area.

While the Governors acknowledge the region’s existing hydropower system has been integral to integrating wind, they state that the system’s balancing reserves will be exhausted by 2011. As a result, they are looking to pumped storage as a means of adding increased flexibility and capacity to meet the growing use of wind energy.

“We believe that pumped storage technology warrants further analysis and that funding is integral to supporting a better understanding of the process and its application in the Northwest's energy system,” the letter states.

Moreover, the Governor’s also state that a “broad technical and policy consensus” exists in the West that energy storage, balancing reserves, and increased grid flexibility are key elements in managing region’s future use of variable renewable energy sources.

A copy of the letter can be found on NHA’s website at www.hydro.org

IRS issues guidance on Investment Tax Credit (Section 48)

The Internal Revenue Service on Friday, Jun. 5, issued Notice 2009-52, which describes the procedures that taxpayers will be required to follow to make an irrevocable election to take the investment tax credit (ITC) under section 48 of the Internal Revenue Code in lieu of the production tax credit (PTC) under section 45.

The American Recovery and Reinvestment Act of 2009 (ARRA) included a provision that would allow facilities that produce electricity from renewable resources, including hydropower and hydrokinetics, pursuant to Section 45 – placed in service through 2013 – to elect the 30 percent ITC for solar facilities, instead of the PTC.

ARRA also included language to allow taxpayers to receive Treasury Department
grants in lieu of the investment tax credits. To be eligible to receive the grants, taxpayers must either place the facilities in service by December 31, 2010, or begin construction by that date and subsequently place the facility in service before 2014.

For a copy of the guidance, please go to the Legislative Affairs webpage on the members’ only side of the NHA website.

MMS holds workshops on offshore renewable energy

On Thursday, Jun. 4, NHA staff attended the Minerals Management Service's (MMS) first workshop examining the final regulations regarding renewable energy project development and alternative uses on the Outer Continental Shelf (OCS).

This month MMS is holding workshops throughout the country where developers and other stakeholders can learn about the new lease processes and pose questions to MMS officials. FERC personnel will also attend select workshops alongside their MMS colleagues.

Upcoming workshops are scheduled for the following cities:
June 24 – Seattle, WA
June 25 – Portland, OR
June 26 – San Francisco, CA

Secretary of the Interior Ken Salazar kicked off the meeting by explaining that climate change is a signature issue for President Obama, and that the U.S. needs a comprehensive energy plan to bring more renewable energy systems online. Salazar also noted that there are currently 240 permits for offshore renewable projects.

Following Salazar’s remarks, Maureen Bornholdt, Program Manager for the Alternative Energy and Alternate Use Program Office, led the audience through a review of the lease process for offshore renewable energy sources. MMS will oversee the issuance of leases, easements, and rights-of-way for wind and hydrokinetic projects on the OCS, while FERC will manage the licensing process for hydrokinetic technologies.

Bornholdt’s review covered the nuts and bolts of the lease process, providing highlights of differences between the proposed rule and the final rule. During the subsequent question-and-answer period three interesting questions were raised in regards to hydrokinetic projects.

The first inquiry concerned whether an existing project in state waters could receive priority siting in adjacent OCS waters. Bornholdt responded that the project would have to go through the competitive lease process to generate power on the OCS.

Another audience member asked which agency is the lead NEPA authority once a project has both the lease from MMS and a FERC license, both of which require a NEPA review. According to a FERC official, the agencies are still sorting out this issue.

The third questioner asked the FERC official to provide an example of a situation in which FERC would issue an exemption rather than a license. Once again, the FERC official said that issue is being explored.

FERC has posted a detailed PowerPoint on the lease process at www.mms.gov/offshore/renewableenergy. For more information on the meeting, please contact NHA’s John Rastler.
Irving to head CHA

Jacob Irving will lead the Canadian Hydropower Association (CHA) as the association’s president, replacing Pierre Fortin who has led the organization for the last 10 years. Fortin, however, will remain an advisor to the Board through June.

Irving has an extensive background in energy and governmental relations, including more than a decade of experience as an association manager and government relations specialist.

Prior to arriving at CHA, he served as the executive director of the Oil Sands Developer Group, where he led outreach efforts to a variety of stakeholders ranging from provincial governments to aboriginal interests.

In addition, Irving has worked in the petroleum sector as well as government in Canada. He graduated from the University of Ottawa with a degree in political science.

NHA congratulates Mr. Irving on his new job as President of the CHA and looks forward to working with him on issues that are important to the future of the hydropower industry in North America.

Upcoming NHA events – see you there!

The National Hydropower Association is pleased to announce its first Southwest Regional Meeting on Thursday, Aug. 27. This meeting is hosted by the Denver Water Board and will be held at the Bureau of Reclamation offices in Denver, Colorado.

The event is open to owners and operators of hydro projects, and to service and equipment providers. Due to the generous support of member companies: Denver Water Board, AECOM, MWH, Voith Hydro, HDR|DTA, and Alstom there is no fee for the meeting; however, pre-registration is required. Register on line at www.hydro.org/events. Come discuss current hot topics affecting the hydro industry in the Southwest.

The National Hydropower Association is also pleased to announce that it will hold its Hydraulic Power Committee Fall Meeting from Oct. 14-16, 2009 at the Birmingham Marriott in Birmingham, Alabama. The event is open to all NHA member companies, including owners and operators of hydro projects, and service and equipment providers.

Member sessions will include: Joint NHA/EUGG Hydro Personnel Safety Survey, FERC – Dam Safety & Security – Q&A with FERC Official, Interactive Hot Topics, Washington Update and subcommittee reports, and more! Online registration for the fall HPC meeting will be available soon at www.hydro.org/events.

Contact Diane Lear at diane@hydro.org for meeting details.
Making the most of your NHA membership – tips from NHA staff

Whether you are new to NHA or your company is a long time member, the following ideas will help you to receive the full benefit of your Association membership.

- **Get involved in NHA Committees.** NHA is a member-driven organization. Whether your interest is policy, public affairs, R&D, New Technologies, or project operations, NHA has a Committee that addresses your needs. By becoming active in a committee you can shape the Association’s response to the opportunities and challenges facing the hydropower industry.

- **Sign up on the Listservs.** NHA maintains Listservs for all of our committees and workgroups. The Listservs are the primary communications vehicle for our members. They allow us to share information with you and allow members to exchange ideas and ask questions of one another on industry-related topics. You can self-subscribe by logging onto [www.hydro.org](http://www.hydro.org) with your user name and password. If you need assistance, email diane@hydro.org.

- **Visit the website.** The NHA website, www.hydro.org, is a great information tool for all things hydro. On the public side you can view the hot topics in the industry, read hydro articles on our newsfeed, and get involved with NHA’s legislative program through our Legislative Action Center. The members’ only side, accessible with your user name and password, provides you with archival information and other documents available only to NHA members.

- **Sign up for NHA Today.** NHA’s bi-weekly newsletter provides more in-depth analysis of happenings in the industry, updates of NHA’s activities, and highlights important events, meetings, and conferences.

- **Get more company employees involved.** NHA’s memberships are corporate memberships. Any employee of a company member in good standing can take advantage of the Association’s benefits and offerings. Encourage others in your organization to become active.

- **Attend a Regional Meeting.** NHA offers regional meetings throughout the year. These meetings are open to all hydro professionals and are offered free, thanks to the generous support of member companies. A regional meeting for the southwest will be held at the U.S. Bureau of Reclamation in Denver, CO on August 27, 2009. Visit [www.hydro.org/events](http://www.hydro.org/events) for a meeting near you.

- **Attend the Annual HPC Fall Retreat.** Each fall, the Hydraulic Power Committee holds a fall retreat for members interested in operations and maintenance and dam safety and security. This year, the meeting will be held in Birmingham, Alabama and will be hosted by Southern Company. Visit [www.hydro.org/events](http://www.hydro.org/events) for registration details.

- **Contact NHA staff.** Whether you are interested in visiting the Hill, learning more about a regulatory issue, or looking for contacts in the industry, NHA staff is here to help. Feel free to call on us when in need of assistance.

For more information on your NHA membership, Listserv sign-up procedures, or user names and passwords, please contact Diane Lear at diane@hydro.org.

NHA has learned...

1) Applications are now being accepted for [The 2009 Transatlantic Renewable](#)
**Energy Fellowship** in Germany; this is a new initiative of the German Federal Foreign Office, administered by InWEnt GmbH in partnership with CDS International, Inc.

The program allows 15 fellows to attend a 5-day briefing on Germany’s renewable energy policies and structures and complete an internship of 3-6 months with a leading renewable energy company or organization. The program will run from September 5 through December 19, 2009. Fellows will receive a stipend in the amount of 3,300 Euro as well as support for travel expenditures to and in Germany.

As part of the Transatlantic Climate Bridge, the Fellowship seeks to further mutual understanding and transatlantic cooperation in climate and energy policies. For eligibility requirements and additional information please visit: [www.inwent.org/tref](http://www.inwent.org/tref). Applications should be completed online by June 24, 2009.

2) Abstracts are now being accepted for the **4th International Renewable Energy Storage Conference (IRES 2009) which will take place from November 24-25, 2009 in Berlin, Germany**. IRES began in 2006 and is intended to contribute to the developments in energy storage and to publicize their application. More than 1000 experts from around the globe have attended the IRES-conference series thus far. For specific details, such as the list of acceptable topics, please [click here](http://www.inwent.org/tref). For general information please [click here](http://www.inwent.org/tref) to be directed to the appropriate web page.