

OPINION PIECE

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THEHILL

The following op-ed was published in *The Hill* on June 15, 2015:

No renewable left behind

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June 15, 2015

http://thehill.com/blogs/congress-blog/energy-environment/244866-no-renewable-left-behind

Throughout the country, there are more than 80,000 dams, primarily used for flood control and irrigation. Today, just a mere three percent (roughly 2,500 dams) are equipped to generate affordable, clean power to our homes, businesses and schools. But that three percent produces nearly 7 percent of the nation's electricity and serves every region of the country – with room to grow. Hydropower has significant and real potential for increased capacity, particularly on existing infrastructure.

This untapped potential, however, is only the beginning of the story. As America's largest source of renewable and emissions-free energy, hydropower helps the nation avoid over 190 million metric tons of CO2 each year – the equivalent of over 40 million passenger cars. Yet, expanding use of this clean energy solution is hindered by outdated regulatory and permitting barriers.

Licensing a new hydropower project or relicensing an existing project can take more than 10 years—longer than most other energy options. In fact, hydropower facilities, even small ones, are considered a risky financial investment as a consequence of a protracted, costly and uncertain licensing process.

Lack of coordination among agencies, duplicative processes and over-expansive study requests, can increase costs to a point where a project is no longer cost-competitive or able to attract investment. Without an improvement in this process, existing projects may be shuttered—and fewer proposals for new facilities will be advanced—with the zero-emitting generation from these projects likely to be replaced with fossil fuel-fired generation.

Recognizing the importance of modernizing the hydropower licensing process, a number of licensing reform bills recently have been introduced in the House and Senate. These are common-sense bills, which include such provisions as one to make the Federal Energy Regulatory Commission (FERC) the lead agency for all authorizations for the licensing and development of hydropower resources.

Authorizing FERC to establish and enforce an overall schedule will help keep the process on track and avoid project delays that have been the status quo for decades. Requiring other agencies with review requirements to cooperate with FERC will create efficiencies and reduce redundancies. The goal is to allow all relevant agencies to exercise their authorities, but to do so in a more optimized and disciplined timeframe.

With nearly 500 existing hydropower projects—constituting nearly 30 percent of all hydropower capacity regulated by FERC—requiring reauthorization over the coming 15 years, now is the time to modernize the process. To be sure, most of these are small projects under 10 MW that may be at risk of closure based on the considerable costs associated with the current relicensing process.

Opponents of licensing reform assert that modernizing the process will upend the Federal Power Act (FPA), create loopholes in the system and weaken states' authority. As hydropower supporters, we disagree. The goal of the reform is to improve the licensing process so it can continue to address energy and environmental issues comprehensively but more efficiently.

Americans are weary of government dysfunction and look to Congress and the executive branch to make improvements that allow for timely, cost-effective and efficient decision-making under the FPA and the nation's environmental laws. Doing so will advance environmental protection and the availability of clean energy solutions.

Meeting climate change mitigation objectives – including the national reduction goals proposed by the Obama Administration – will require the continued and expanded use of hydropower. The current hydropower licensing process has evolved into a complex, time-consuming process with myriad redundancies and lacking discipline and accountability.

Enacting much-needed improvements to the licensing process can be accomplished in a responsible and balanced manner that protects and preserves our fisheries, natural resources and environmental values. Industry calls on all stakeholders to work toward a common-sense solution to reduce costly delays.

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