



Statement

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NHA Calls for Extension of Renewable Energy Tax Credits

The National Hydropower Association (NHA) is pleased to join with our colleagues throughout the renewable energy sector in calling for a long-term extension of the renewable energy tax credits. These production tax credits (PTC) and renewable energy bonds provide our members with the financial certainty they need to attract the long-term investment required to develop clean, reliable hydroelectric generating capacity.

We also believe that extending these tax provisions will support continued growth in the entire renewable energy sector, a benefit that will bolster America's economy. These ideas also echo the goals President Bush outlined in his economic incentive package last week.

With the PTC, the hydroelectric industry is growing – in capacity and economic impact.

Since 2005, when Congress included incremental hydropower projects, which improve the efficiency and output of existing hydropower facilities, and development on non-powered dams in the renewable-energy tax provisions, developers have increased their activity, bringing investments, jobs, and resources to 13 states, in every region of the country.

Increasing output from hydroelectric resources also supports the development of other renewable energy sources. Because hydropower plants can quickly adjust their output to the electric grid, hydropower operators can help fill the peaks and valleys created as more intermittent renewable generators come online. Hydropower is a fundamental tool for grid stability.

The industry is also looking at new projects that can bring more economic gains and more electricity to the nation's communities. Last year, the Electric Power Research Institute (EPRI) estimated that new projects, new facilities, and new technologies could yield as much as 95,000 megawatts of electricity from hydropower resources. That's enough to power 76 million homes, cleanly and reliably.

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Extending renewable tax credits will keep hydropower contributing to economic growth.

NHA members report that their business development could slow down by as much as 20 percent without renewable energy tax credits. These provisions provide the financial certainty needed to secure investment and make sound, responsible development decisions.

With a long-term extension of the PTC and other measures, NHA members see business going in the opposite direction, expanding by more than 20 percent in the coming years. Investment follows support and certainty in a stable tax environment.

The PTC is already showing success – we need to build on this for our economy and our environment.

In the two years since the hydropower industry became eligible for PTC certification, companies have developed 18 incremental hydropower projects that provide an additional 230,908 megawatt-hours of electricity. These projects improve the efficiency of existing facilities, one by as much as 23 percent.

They also have a far-reaching impact beyond the hydropower industry. These PTC-certified projects bring jobs, investment, and new energy resources to every part of the country – from Vermont to California. And, having this capacity offsets about 147,319 metric tons of carbon-dioxide emissions each year.

Action today supports economic, environmental, and energy-sector growth.

Congress and the White House have an opportunity to expand their hard-fought gains in the energy and environmental sector by extending the renewable energy tax credits immediately. These measures bring real jobs, real revenue, and real electricity production today – not a generation from now.

We urge policymakers to take this opportunity strengthen our economy and keep the successful renewable energy sector expanding its contributions to our communities.

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NHA is a non-profit national association dedicated exclusively to advancing the interests of the U.S. hydropower industry, including the new waterpower technologies – ocean, tidal and instream hydrokinetic technologies. The association represents 61 percent of domestic, non-federal conventional hydroelectric capacity in the U.S. Its membership consists of more than 140 organizations including public utilities, investor-owned utilities, independent power producers, developers, equipment manufacturers, environmental and engineering consultants, and attorneys.