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House Passes Bill to Bring Hydropower Licensing Process into the 21st Century

Bill provisions set the stage for hydropower to make a greater impact in fighting climate change

Washington, D.C. – Recognizing hydropower's contribution to reducing the nation's carbon footprint, the National Hydropower Association today applauded passage of the bipartisan hydropower regulatory improvement provisions as part of the North American Energy Security and Infrastructure Act (H.R.8). These provisions break the licensing process status quo that has stifled the growth of the nation's largest source of renewable electricity. The hydropower provisions are designed to make the process more timely, coherent and collaborative by promoting predictability and requiring timely decisions by regulators—all without narrowing the authorities of federal and state resources agencies and Indian tribes under existing federal environmental laws.

"Passage of these provisions is the first step towards fully realizing hydropower's clean energy potential. At a time when the nation and the Administration are searching for clean energy solutions, it is unacceptable to support the status quo, a process which is devoid of timeliness and collaboration," **said Linda Church Ciocci, NHA Executive Director.** "NHA applauds the bipartisan leadership of Reps. Cathy McMorris Rodgers and Jerry McNerney for championing a commonsense clean energy proposal that protects environmental values."

Today, it can take 10 years or more to license a clean, non-emitting hydropower facility. Investment into new and existing hydropower resources is severely handicapped by an outdated licensing process, in which conflicting priorities, overlapping and competing agency authorities, and deferred decision-making delay both project deployment and real environmental improvements.

Next, the Senate is expected to take up the Energy Policy Modernization Act of 2015 (S.2012), which contains similar hydropower improvement provisions.

"As we look to further action in the Senate, it is important to note that the bipartisan hydropower provisions that are moving forward in both chambers do not repeal or weaken the Clean Water Act, Endangered Species Act, or other federal environmental requirements," **continued Ciocci.** "As the legislative process moves forward, we will continue working with Congress, the Administration and all stakeholders to pass a final bill that preserves the existing hydro system, protects the environment and promotes new development."

The measure also contains a provision to create a Department of Energy research and development program for marine hydrokinetic renewable energy. The program will help to accelerate the development and deployment of these new technologies.

Major Hydropower Provisions in H.R. 8

- **Makes the approval process for non-federal hydropower more efficient and collaborative** by requiring the Federal Energy Regulatory Commission (FERC) to act as the lead agency in coordinating with other Federal, State, and local government agencies and Indian tribes in fulfilling their responsibilities under Federal law, scoping environmental issues for analysis, and supporting early identification and resolution of matters that may delay approval processes.

- **Promotes schedule discipline** by directing FERC to consult with agencies and tribes in developing a schedule for all Federal authorizations required for non-federal hydropower, and authorizing the U.S. courts of appeals to grant limited extensions of time as may be requested by agencies and tribes.

- **Improves the hydropower licensing study** process by encouraging agencies and tribes to use existing relevant and reliable studies and information where appropriate, identifying best study practices and existing relevant studies, authorizing agencies and tribes to accept direct funding by hydropower applicants, on a voluntary basis, to help supplement agency resources, and authorizing studies to occur on a basin- or region-wide basis as may be requested by hydropower licensees or applicants in the basin or region.

- **Promotes the development of closed-loop pumped storage projects** by establishing an expedited and focused licensing process for FERC's licensing of these primary off-river projects, which are essential to energy storage and grid reliability.

- **Promotes new clean, renewable hydropower development at existing non-powered dams** through a specialized approval process that protects existing uses of the non-powered dams (e.g., water supply, irrigation, flood control) and provides for environmental enhancements through a new annual fee to be used to fund environmental enhancement projects in watersheds in which these projects are located.

- **Encourages hydropower project upgrades with minimal environmental effects** by establishing an expedited FERC license amendment approval process for proposals that would increase hydropower capacity or efficiency; implement environmental protection, mitigation, or enhancement activities; or support public recreation opportunities at existing facilities.

- **Establishes greater efficiency in FERC's license amendment procedures** by requiring FERC to undertake a rulemaking that would establish license amendment procedures that are commensurate with the range of different proposals that a licensee may seek, including environmental requirements, replacing the rather rigid approach today of dictating the approval process based primarily on the proposed change in project capacity.