



HYDRO WORKS FOR AMERICA

Hydropower's Message to the 112th Congress

The Value of Hydropower and its Role in Addressing Energy, Economic, Environmental and Security Goals

General Message: Clean, renewable hydropower is poised to grow by 60,000 MW by 2025, supporting over 1.4 million new cumulative direct, indirect and induced domestic jobs. Inclusion of hydropower resources (conventional, pumped storage and MHK) under policies that remove market barriers to development will help increase the dependability and affordability of the energy needed to power our economy.

Congress is urged to act on the following **Policy Recommendations**:

- 1. Provide for a More Efficient Regulatory Process.** Speed construction and job creation benefits through better coordination of development processes on federal lands and a 2-year process for projects at existing dams and closed-loop pumped storage and improvements and greater efficiencies to the process for small hydropower and conduit power projects.
- 2. Provide equal treatment in support of hydropower development such as production tax credit (PTC) parity and investment tax credit (ITC) and clean renewable energy bonds (CREBs) eligibility for pumped storage projects.** Currently, hydropower and MHK projects receive only half the credit available to other renewable energy sources under the PTC. No incentives are available for energy storage project development, including pumped storage, which hinders deployment and further innovation.
- 3. Ensure continued investments in hydropower projects through extension and expansion of incentives (Section 1603 grants, PTC, ITC, Section 48C ITC and CREBs).** The longer development timeline for hydropower project development requires an extension of these programs in order to provide the certainty developers need to fully utilize the incentives. Further funding is also needed for programs that were oversubscribed, outpacing the funding provided, such as the 48C ITC for renewable energy equipment manufacturers and CREBs.
- 4. Include hydropower in clean and renewable electricity standard.** A clean energy standard is a different policy paradigm than the renewable energy standard recently under debate in Congress. It requires a re-evaluation of how hydropower is recognized and treated as a qualified resource under the policy.
- 5. Support advancements in the industry with \$100 million in FY 2012 for the DOE Waterpower R&D program.** Continued robust investment for all technologies under the DOE Waterpower program for FY 2012 is a crucial source of support to unlock their vast potential and to ensure that innovative new technologies come to market.

Available. Reliable. Affordable. Sustainable.