



May 11, 2017

The Honorable Rick Perry  
Secretary of Energy  
Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Secretary Perry:

We read with interest your recent directive to Department of Energy staff calling for analysis on the state of U.S. baseload power sources, including their availability and benefits to the electric grid. As representatives of domestic, renewable baseload power sources, we are very encouraged by and support this action, and we offer our assistance.

Hydropower, biomass, waste-to-energy, biogas and geothermal are critical, domestic, clean technologies that provide 24/7 power to the grid. Together, our industries represent nearly 10 percent of total U.S. generation and more than half of renewable generation - with substantial new growth opportunities possible.

Baseload renewables should be at the forefront of discussions on low-cost, clean energy development. Our technologies can help meet the challenges facing the grid with retiring conventional generation as well as increasing amounts of intermittent generation. Our technologies provide numerous ancillary services and grid benefits such as power regulation, load following or energy imbalance, spinning reserve, non-spinning reserve, storage, and replacement or supplemental reserve.

However, the build-out of wind, solar and natural gas over the past decade has far outpaced that of hydropower, biomass, geothermal, biogas and waste-to-energy. Due to low market prices for natural gas and wind, and a history of federal and state support that has favored these technologies, baseload renewables have been struggling to compete and, in some cases, are facing closures. As an example, tax credits for our industries have expired, while other renewables have long term certainty with a multi-year extension. In addition, our technologies are not consistently recognized in state renewable portfolio programs. Your review offers an opportunity to better understand the impacts these policy decisions have had, not only on our industries, but also on the grid itself.

We support policies that foster the growth of a diverse national energy portfolio and recognize that all energy sectors bring unique attributes to the system. Power service planning has traditionally valued diversity. Future grids will require a mix of all the available renewable resources to meet power supply

needs. Baseload renewables can help keep grid costs low by eliminating curtailment or over-generation at peak times.

As the Department undertakes this review, it is important to recognize not only the power and grid benefits of the renewable baseload sector, but also its positive economic impacts. As you point out in your letter to DOE staff, our resources often have an outsized economic impact in their local communities. Collectively, our members employ thousands of Americans, often in rural areas where traditional industries and employment opportunities have been decimated, and provide significant local revenue. The fuels used by our technologies usually come from the region, rather than being imported from elsewhere. These communities also enjoy secondary benefits like fire hazard suppression for biomass, critical mineral recovery for geothermal, waste product re-utilization for biogas and waste-to-energy, and flood control and irrigation for hydropower.

It is possible to build out a diverse portfolio of energy resources that power not only the grid, but also the economy. We believe this review will demonstrate the need to better recognize, value, and properly compensate renewable baseload technologies for the grid benefits and services they provide.

We would like to request a meeting in-person to discuss these issues in more detail and how they can help your Department's priorities. We look forward to working with you and the DOE teams leading this report.

Sincerely,



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