



February 3, 2012

Rebecca Sherman O'Neil
Oregon Department of Energy
625 Marion Street, NE
Salem, OR 97301
rebecca.sherman@state.or.us

RE: National Hydropower Association's Comments on Oregon's Department of Energy's Hydropower Development Assistance Program

Dear Ms. O'Neil,

On December 23, 2011, the Oregon Department of Energy ("Department") issued a comment opportunity on *Considerations for an Oregon Hydropower Development Assistance Program* ("DAP"). The Department seeks comments on whether Oregon stakeholders would benefit from an assistance program similar to a Colorado state pilot program.

The National Hydropower Association¹ ("NHA") applauds the Department's initiative to investigate the "next generation" assistance program for small hydropower developers in Oregon and urges the Department to institute such a program. We agree that hydropower development can be approached and conducted in a way that realizes the climate benefits of this clean, renewable generation, while also preserving and protecting Oregon's natural resources.

The majority of Oregon's electricity needs are met with hydropower. As a result, the state, like the Northwest region as a whole, has a lower emissions profile and enjoys some of the lowest electricity rates in the country. All too often, the misconception that exists about hydropower (in Oregon and across the country) is that the sector is "all tapped out." However, that is not the case and Oregon developers are proving it.

Today, there are nearly two dozen proposed hydroelectric projects in Oregon at various stages of the licensing process before the Federal Energy Regulatory Commission ("Commission"). These projects range from conventional small-hydro, marine hydrokinetic and closed loop pumped storage. The majority of these projects would qualify under the DAP, and NHA believes these and other potential projects would realize a significant economic and local job creation benefit to the state along with their energy and environmental benefits.

NHA leaves specific detailed comments on the Colorado program and its potential application in Oregon to those industry and NHA members who deal most directly with the licensing and development issues. However, we do believe the DAP (with technical support for developers and assistance with

¹ NHA is a national non-profit association dedicated exclusively to advancing the interests of the U.S. hydropower industry, including conventional, pumped storage, and new marine and hydrokinetic technologies. NHA's membership consists of more than 180 organizations, including consumer-owned utilities, investor owned utilities, independent power producers, project developers, equipment manufacturers, environmental and engineering consultants, and attorneys from across the country, including Oregon.

prescreening and public outreach) can simplify the process and address some of the economic challenges of small projects, which do not share the economies of scale achieved by their larger counterparts. This is evidenced by Colorado's first approved project, the Meeker Wenschhof hydroelectric project, in which the Commission approval was completed in only two months, a remarkable result and success story for the Commission and Colorado.

Oregon, like Colorado, has a tremendous opportunity to provide leadership on hydropower policy and set a precedent for other states to follow. The result is a positive outcome for developers, for customers, and for the environment. The efficiencies gained through these types of assistance programs will not only help small hydro development, but can be built upon as we look to assist development in other sectors of the hydropower industry through improved intergovernmental cooperation between federal and state regulators.

Thank you for this opportunity to comment on the Department's proposal. We look forward to further dialogue with the Department as you move forward with DAP activities.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linda Church Ciocci".

Linda Church Ciocci
Executive Director
National Hydropower Association
25 Massachusetts Avenue, N.W.
Suite 450
Washington, D.C. 20001
202.682.1700