

November 18, 2011

The Honorable Harry Reid
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Max Baucus
Chair, Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member, Finance Committee
U.S. Senate
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Baucus and Ranking Member Hatch:

The U.S. hydropower industry supports federal policies that provide a predictable market signal in support of hydropower project development, which in turn leverage significant private investment and promote job creation and local economic benefits across the country.

We urge the continued support for renewable energy incentives, such as the production tax credit (as well as the investment tax credit, clean renewable energy bonds program and others), which give the hydropower industry the certainty needed to compete for investment, complete project construction and begin operation over the next several years.

As such, we strongly support, and urge the Senate to adopt, legislation that provides a long-term extension of the production tax credit for hydropower and marine and hydrokinetic technologies.

The inclusion of hydropower resources under the incentive programs has kicked off a resurgence of responsible, sustainable projects – growth the industry has not seen in nearly two decades.

For example, from the enactment of the Energy Policy Act of 2005 through October 2011, FERC has certified 83 hydropower projects in 23 states for the PTC alone. Implementing capacity additions, technology innovations and efficiency improvements at existing hydropower facilities, these projects have resulted in an average generation increase of close to 11 percent. The total generation increase is 954,312 megawatt hours – enough energy to power 87,583 homes.

A multi-year extension of the PTC has been, and will continue to be, crucial for the hydropower industry to fully utilize the credits since the deployment timeline of larger, more capital-intensive hydropower projects is longer than that of other renewables.

The U.S. hydropower industry believes tremendous opportunities exist to accelerate deployment of clean, affordable, reliable hydropower resources. In fact, over 87,000 MW of proposed

conventional hydropower, pumped storage and marine and hydrokinetic projects are under consideration before FERC today.

We urge the Congress to enact a multi-year extension of the PTC as soon as possible and look forward to working with you on additional policies that will assist us in realizing the Nation's clean energy, job creation, and environmental goals.

Sincerely,

Advanced Hydro Solutions

ALLETE/Minnesota Power

Alstom

Ameren Missouri

American Electric Power

American Governor Company

American Hydro Corporation

Ampersand Gilman Hydro LP

Applegate Group, Inc.

Avista Corp

Blue Heron Hydro LLC

Centennial Island Hydroelectric Co.

Colorado Small Hydro Association

Community Hydropower Consulting, LLC

Contocook Hydro LLC

Duke Energy

Eagle Creek Renewable Energy, LLC

FlyWater Inc.

Free Flow Power Corporation

HDR Engineering, Inc.

Hydro Green Energy, LLC

Hydro Performance Processes Inc.

Hydroscreen CO. LLC

Hydrowest LLC

Kleinschmidt, Energy & Water Resource Consultants

Mavel Americas, Inc.

Mead & Hunt

Mesa Associates, Inc.

Methuen Falls Hydroelectric Co.

Micro Renewable Solutions LLC

Mississquoi River Hydro LLC

Moomaws Dam Hydroelectric Corp

MWH Global, Inc.

Natel Energy, Inc.

National Hydropower Association

Nelson Energy LLC

NextEra Energy Maine LLC

North American Hydro

Northwest Hydroelectric Association

Olson Electric Development Co., Inc

Pacific Gas and Electric Company

Peak Hydro Services, Inc.

Portland General Electric

PowerHouse Systems, Inc

Progress Energy

Quinebaug Associates LLC

Sugar River Hydroelectric Power Co.

Telluride Energy

TerraVision Consulting, LLC

The Bowersock Mills & Power Company

Voith Hydro Inc.