



December 20, 2017

The Honorable Lisa Murkowski  
Chairman  
Energy and Natural Resources Committee  
United States Senate  
Dirksen Senate Office Building  
Room 304  
Washington, DC 20510

The Honorable Maria Cantwell  
Ranking Member  
Energy and Natural Resources Committee  
United States Senate  
Dirksen Senate Office Building  
Room 304  
Washington, DC 20510

**Re: Statement for the Record of the National Hydropower Association (NHA) on the December 12, 2017 hearing to examine the permitting processes at DOI and FERC for energy and resource infrastructure projects**

Chairman Murkowski and Ranking Member Cantwell:

The National Hydropower Association (NHA) is pleased to have this opportunity to submit comments to the Committee on the need for improvements and reform of the federal hydropower licensing/permitting process. In addition to these comments, NHA incorporates by reference our testimony to the Committee earlier this year at the hearing on opportunities to improve American energy infrastructure.<sup>1</sup>

NHA reiterates our strong support for policies that address the regulatory inefficiencies and improve the coordination in the overall hydropower project approval process. We call on Congress, as well as the Administration, to address this and other energy and market policy issues that limit investment in hydropower infrastructure. And, we believe this can all be done in ways that promote the hydropower resource while also protecting environmental values.

Hydropower has the longest, most complex development timeline (for existing project relicensing or new project approvals) of any of the renewable energy technologies, with some projects taking 10 years or longer from the start of the licensing process through construction to being placed-in-service.

NHA is appreciative of the work this Committee has conducted over the past several years to fully examine the problems experienced by the industry in licensing. An extensive record has been developed on these issues both in this Committee and in the House Energy and Commerce Committee as well as the House Natural Resources Committee. This year alone, project owners and developers from across the hydropower sector representing all parts of the

---

<sup>1</sup> [https://www.energy.senate.gov/public/index.cfm/files/serve?File\\_id=E3BD2A82-1B13-4B5F-8754-46C181EACB60](https://www.energy.senate.gov/public/index.cfm/files/serve?File_id=E3BD2A82-1B13-4B5F-8754-46C181EACB60). March 14, 2017.

country have shared their concerns and ongoing issues. NHA would like to highlight some of their experiences as discussed in their testimony below:

**Testimony of Ramya Swaminathan, CEO of Rye Development, discussing project deployment on existing non-powered dams, submitted on behalf of NHA** – “The timeline for a new hydropower development project to reach commercial operation is between 10 and 13 years, which is almost unmatched in the power generation space. Most of this time is taken by permitting. Federal permitting can account for 8 to 10 years (FERC licensing for 5 – 6 years and USACE permitting for 2 – 4 years) of that time, with the average construction period being between 1.5 and 3 years. Other renewable energy resources, and indeed fossil fuel generation, can effectively progress from inception to operation in less than half that time. It is possible to advance solar, wind, and even combined cycle plants from concept to being operational within 2 or 3 years.

This disparity of timelines to commercial operation presents a formidable challenge to new hydropower development. Private investors in the power generation space find the length and complexity of hydropower’s timeline difficult to manage. As a result, hydropower development becomes expensive due to the compounding of interest costs over long periods coupled with the unclear risk profile. When faced with these factors, many investors to choose to invest in other forms of generation with far shorter timelines and clearer risk assessments.”<sup>2</sup>

**Testimony of Herbie Johnson of Southern Company and President of NHA, discussing relicensing of existing hydropower projects, submitted on behalf of NHA** – “In the coming years, there is a significant number of hydro projects with expiring licenses that will need to go through relicensing, but the rising cost and the continuing regulatory uncertainty of the relicensing process creates real doubt about the future of many projects.

NHA believes that more efficient regulation is necessary both to protect America’s existing hydropower assets and to create an opportunity to develop additional hydropower infrastructure both in the Southeast and across the nation. We believe that it is possible to achieve the same or even improved hydro licensing outcomes more quickly and predictably while protecting the important environmental and natural resources of our country. By reducing regulatory risk, cost and uncertainty, hydro developers will be encouraged, and indeed motivated, to invest in new projects, develop incremental capacity at existing dams, create new jobs, and increase the amount of clean, affordable and renewable hydropower in our country.”<sup>3</sup>

---

<sup>2</sup> <http://docs.house.gov/meetings/IF/IF03/20170315/105702/HHRG-115-IF03-Wstate-SwaminathanR-20170315-U1.pdf>. House Energy Subcommittee hearing on March 15, 2017.

<sup>3</sup> [https://naturalresources.house.gov/uploadedfiles/testimony\\_johnson.pdf](https://naturalresources.house.gov/uploadedfiles/testimony_johnson.pdf). House Water, Power and Oceans Subcommittee hearing on May 3, 2017.

**Testimony of Bob Gallo, CEO of Voith Hydro, on the positive economic impact licensing and permitting reform can have on U.S. manufacturing** – “We hope the Committee will continue its strong work to streamline the licensing process, and look for ways to boost production on federally-owned dams. Expanding hydropower helps companies like Voith Hydro and those in the 2,500-company strong national hydropower supply chain that accounts for \$17 billion in economic output. More importantly, it also helps the American worker.

Voith Hydro is a perfect example. Though our workforce in the U.S. is already over 600 strong, our plant in York could accommodate a significant increase in work volume. And the good paying jobs that would be created are highly-skilled engineering and union manufacturing jobs that are the backbone of America.”<sup>4</sup>

Currently, this Committee has several pieces of bipartisan hydropower licensing legislation before it, including those provisions in S. 1460, the comprehensive energy bill, and other bills that have passed the House or Representatives, such as H.R. 3043.

NHA believes these bills represent moderate, common-sense approaches to addressing concerns with the licensing process as expressed above, while also ensuring stakeholder and public participation and the statutory authorities of federal and state resource agencies. The bills have garnered support from wide variety of hydropower, clean energy, utility and labor groups.<sup>5</sup>

Some examples of needed provisions are:

- Requiring greater inter-agency and stakeholder coordination;
- Early identification of issues and achieving resolution of conflicts;
- Setting and adhering to timely schedules, while also providing sufficient resources and time for decision-makers to complete their work; and
- Protecting and improving upon the important licensing improvements achieved in the Energy Policy Act of 2005 for trial-type hearings, alternative conditions and equal consideration.

We hope that the Committee can work expeditiously in the New Year to resolve the differences in the hydropower provisions between the Senate and House bills and pass final legislation as early as possible in 2018. We commit to working with the Committee and any willing stakeholders to achieve this goal.

---

<sup>4</sup> [https://naturalresources.house.gov/uploadedfiles/testimony\\_gallo.pdf](https://naturalresources.house.gov/uploadedfiles/testimony_gallo.pdf). House Water, Power and Oceans Subcommittee hearing on May 3, 2017.

<sup>5</sup> <http://anf5l2g5j kf16p6te3ljwwpk.wpengine.netdna-cdn.com/wp-content/uploads/2017/07/Joint-Letter-on-Hydropower-7-25-17.pdf> and <http://anf5l2g5j kf16p6te3ljwwpk.wpengine.netdna-cdn.com/wp-content/uploads/2017/11/11.7-Industry-Labor-Support-Letter-on-HR-3043.pdf>.

Thank you once again for your leadership. We look forward to working with you and your staff further on these issues.

Sincerely,

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

Linda Church Ciocci  
Executive Director