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## Unlock Hydro - Realizing Hydropower's Clean Energy Potential

### NHA urges Congress to modernize hydropower licensing and adopt improvements this year

#### **Making the Case for Further Hydropower Licensing Improvements**

It has been over 10 years since Congress enacted major reforms to federal law governing the licensing, relicensing and regulation of the nation's non-federal hydroelectric power projects. The Energy Policy Act of 2005 (EPAc 2005) was an important step forward. However, over a decade later, experience has shown more needs to be done to preserve existing hydropower resources and make new hydropower development cost-competitive with other energy options.

Between 2015 and 2030, existing licenses will expire for over 400 FERC-licensed hydropower projects. Moreover, recent studies have demonstrated that tens of thousands of MW of potential new capacity is available – including the use of existing non-powered dams, expanding existing hydropower projects, new pumped storage, new conduit power projects, advancing low-impact green field sites, along with the deployment of marine and hydrokinetic technologies. Without meaningful licensing reform, the current regulatory regime will continue to present a disincentive for these clean, reliable renewable energy projects, with licensing and relicensing timeframes taking in some cases 10 years or longer.

#### **Guiding Principles for Improvements**

**Promotion of Hydropower** – Reform must recognize hydropower's value as a critical component in the nation's energy supply portfolio. Policies must seek to reduce regulatory costs, shorten the length of time for approvals, and generally "level the playing field" with other electric generation resources.

**Environmental Protection** – Reform must preserve the ability of federal and state regulators to appropriately protect, mitigate and enhance natural resources affected by hydropower.

**Process Modernization** – Reform must minimize duplicative reviews and regulatory approvals of federal and state agencies.

**Schedule Certainty and Discipline** – Reform must reduce uncertainties in the licensing and relicensing processes, create discipline in the schedule, and reduce the time for obtaining approvals.

**Balanced and Informed Decision Making** – Reform must establish federal and state regulatory agency decision making that is supported by credible scientific and technical information. All agency decision making must equally consider developmental and non-developmental values.

**Clear Standards** – Reform must establish clear standards for federal and state agencies to base their conditions and recommendations for FERC-licensed hydropower projects.

**Existing Infrastructure** – Reform must promote the efficient and cost-effective approval of hydropower at existing infrastructure, and establish the scope of environmental review and approval to be commensurate with the scope of development.

### **Background: Congressional Hydropower Licensing Efforts**

In the 114<sup>th</sup> Congress, the House and the Senate made substantial progress toward enacting the first major improvements to the hydropower regulatory process since EAct of 2005. Bipartisan bills were advanced in both the House and Senate as part of the work to enact comprehensive energy legislation.

In the 115<sup>th</sup> Congress, work is continuing with bills once again making their way through the legislative process. H.R 3043 has passed the House, and S. 1460, the comprehensive energy bill with a hydropower title, is awaiting Senate floor action. Once again, these bills have received bipartisan support and seek to promote greater transparency, accountability, cooperation, and efficiency, while also preserving environmental values.

NHA is pleased to support these bills, which followed from the passage of the Hydropower Regulatory Efficiency Act in 2013 (now Public Law No: 113-23) – legislation that promoted development of small hydropower, pumped storage and conduit projects and aimed to reduce regulatory timeframes. Since then, NHA and industry members have held a continuing dialogue with states, Tribes, environmental NGOs and other stakeholders on ideas for improvements that reduce costs and delays, and also allow for faster implementation of environmental measures.

NHA looks forward to continuing our work with Congress, the Administration, and others to pass legislation before the end of this year. After years of discussion, hearings, legislative proposals, negotiations and mark-ups, the stage is set for final action on licensing in this session of Congress.

## **A Call to Action**

Pass federal legislation to unlock hydropower's potential through meaningful and commonsense improvements to the licensing and relicensing process.

The time is now to seek meaningful improvements in the nation's hydropower licensing process – improvements that will match today's policies to value and promote clean, renewable energy development, and support the environmental, recreational, grid reliability and resiliency and other public benefits resulting from these projects.

NHA calls on Congress to pass hydropower legislation in 2018 that incorporates solutions to the problems that have plagued the licensing and relicensing process for hydropower projects for over 20 years. The years-long regulatory process (in some cases 10 years or longer) is not good public policy and creates a strong disincentive to deploying new projects or re-investing in our existing hydropower infrastructure.

NHA believes licensing improvements are a win-win proposition and will expand our country's largest renewable energy generating resource, while protecting the role of federal and state agencies, as well as the public, in the process.

Whether on its own, or part of a larger legislative vehicle, such as an energy bill or an infrastructure bill, hydropower licensing improvements will provide job opportunities, economic growth, and more reliable, clean and renewable energy to advance our energy and environmental goals.



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