



**April 14, 2021**

**Dear NHA Members,**

NHA joined yesterday with environmental and public safety groups to submit joint infrastructure recommendations to the White House and key leaders on Capitol Hill.

This landmark proposal aims to convert last October's Uncommon Dialogue Joint Statement into action by securing support for tens of billions (yes, billions!) of dollars to:

- maintain and expand hydropower
- enhance dam safety
- promote river conservation
- create an estimated 500,000 jobs
- help to achieve President Biden's goal of creating a zero-carbon grid

**What's the bottom-line summary?**

If enacted, the new recommendations would result in an estimated \$15.7B of hydropower investment activities being eligible for a 30% tax credit over the next decade, with a direct pay option for public power and others without tax liability (savings to the industry estimated at \$4.71B over 10 years).

In addition, the group is supporting \$22B in new appropriations for the U.S. Army Corps of Engineers, the Bureau of Reclamation, and other dam-owning agencies to improve power generation, dam safety, and environmental performance (such funds would be non-reimbursable to avoid cost increases to federal hydropower customers).

**Who has endorsed the joint infrastructure proposal?**

The joint infrastructure proposal was negotiated by a core group of industry, environmental and public safety organizations. While additional groups are considering "opting in," current signatories include NHA (including several NHA member companies), the Hydropower Foundation, American Rivers, WWF, the Association of State Dam Safety Officials, the American Society of Civil Engineers, Union of Concerned Scientists, the Nature Conservancy, the Hydropower Reform Coalition, and the Low Impact Hydropower Institute.

**What are the specific tax recommendations for hydropower?**

President Biden's March 31 infrastructure proposal already included a longstanding NHA priority – a ten year extension of the PTC/ITC (including direct pay for public power and others without tax liability) for efficiency improvements and capacity additions, powering non-powered dams, and marine energy. It also includes an extension of the advanced energy project credit for renewable energy manufacturers.

To complement these proposals, the new joint recommendations advocate for:

- A new 30% ITC for powered dam safety investments (guestimated at \$3.3B @ 30 ITC = \$990M)
- A new 30% ITC for environmental improvements (guestimated at \$8.5B @ 30% ITC = \$2.55B)
- A new 30% ITC for flexibility/availability investments (guestimated at \$3.9B @ 30% ITC = \$1.17B)
- A new 30% tax credit for dam removal activities (power and non-powered) (no guestimate yet, in part because eligibility would be limited to activities that do not also receive funding under other sections of this package)
- A “direct payment option” for public power and other entities that do not have tax liability.

**What about new investments in the federal hydropower fleet?**

Major new funding is proposed for the Corps, Reclamation, and other dam-owning federal agencies to rehabilitate (including upgrades and efficiency improvements) their hydropower facilities (guestimated at \$6B over 10 years), as well as to conduct dam safety and environmental improvements, and otherwise evaluate and address disposition on all dams that they own to appropriately direct expenditures at non-powered dams (guestimated at \$16B over 10 years). If enacted, these investments are expected to create tens of thousands of job manufacturing and installing turbines, generators, and other power generating equipment.

**What are the river, climate, and public safety advocates getting in the package?**

The various groups came together to request funding for the rehabilitation, retrofit, and removal (the 3Rs) of the nation's 90,000+ dams. The \$63B proposal therefore includes major funding for federal financial assistance to improve dam safety, and the creation of a public source of funds to remove dams – with the consent of the dam owner - that have reached the end of the useful life.

**What's the likelihood of the proposal being enacted – and what can I do to help?**

While ultimate legislative success is far from certain, the Biden Administration has made the infrastructure and climate package its top legislative priority. In addition, this unusual coalition of industry, climate and river conservation groups, and public safety officials creates new opportunities to gain political support on both sides of the aisle.

Together with the environmental community, NHA has been engaging with White House staff and other agency officials to include these recommendations in the package that the Administration sends to Capitol Hill. Yet the legislative will ultimately be drafted by Congress so we are continuing our ambitious legislative outreach as well.

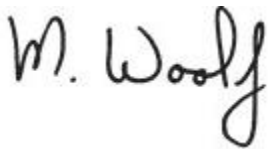
***Call to Action***

I will therefore close this letter with a call to action: Help the hydropower industry make its voice heard by:

- 1) [Click here to send an email to your congressional delegation](#)
- 2) [Click here to participate in NHA's Waterpower Week advocacy program.](#)

Thanks – and we will keep you informed as the legislative process develops!

Sincerely,  
Malcolm Woolf

A handwritten signature in black ink that reads "M. Woolf". The signature is written in a cursive, slightly slanted style.

President and CEO  
National Hydropower Association