



Hydroelectric Incentives Program

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Hydroelectric Incentives Program

- ▶ **Hydroelectric Production Incentives** (EPAct 2005 Section 242)
- ▶ **Hydroelectric Efficiency Improvement Incentives** (EPAct 2005 Section 243)
- ▶ **Maintaining and Enhancing Hydroelectricity Incentives** (EPAct 2005 Section 247)



Hydroelectric Production Incentives (EPAct 2005 Section 242)

Enacted under the original EPAct 2005 with annual appropriations since 2014 by EERE Water Power Technologies Office

- ▶ Payments for **electricity generated and sold** at existing non-powered dams through addition of capacity
- ▶ Amended through Energy Policy Act of 2020 to include facilities less than **20 MW** in areas of inadequate electric service



Hydroelectric Production Incentives (EPAAct 2005 Section 242)

Funding

- ▶ **\$125,000,000** to remain available until expended
- ▶ Not more than **\$1,000,000** to any facility in any calendar year
- ▶ Total of **\$51,360,000** distributed under WPTO since 2014
- ▶ Application window for the electricity generated and sold in CY21 and CY22 closes at 5:00 p.m. **today**



Tentative Schedule - Hydroelectric Production Incentives (EPA Act 2005 Section 242)

* Dates are subject to change

Milestone	Date
Issue Guidance & Open Solicitation (Open 45 days)	March 22, 2023 – May 8, 2023
Notification of Eligibility	July 2023
Issue Payments	September 2023



Hydroelectric Efficiency Improvement Incentives (EPA Act 2005 Section 243)

Funds capital improvements at qualified facilities

- ▶ Owners or authorized operators of a hydroelectric generation facilities at existing dams
- ▶ Capital improvements in facilities that are directly related to improving efficiency by at least **3%**



Hydroelectric Efficiency Improvement Incentives (EPA Act 2005 Section 243)

Funding

- ▶ **\$75,000,000** to remain available until expended
- ▶ Incentive payments under this section shall not exceed **30%** of the costs of the applicable capital improvement
- ▶ Not more than **\$5,000,000** to any facility in any fiscal year
- ▶ Released FY23 solicitation on March 22, 2023. Application window closes **June 20, 2023**, at 5:00 p.m. ET



Hydroelectric Efficiency Improvement Incentives (EPA Act 2005 Section 243)

Info to Apply

- ▶ Submit applications by **June 20, 2023** at 5:00 p.m. ET
- ▶ **Note: Applications submitted through the Clean Energy Infrastructure Funding Opportunity eXCHANGE**
- ▶ Guidance document is available on the Hydroelectric Efficiency Improvement Incentives Program webpage and within eXCHANGE



Tentative Schedule - Hydroelectric Efficiency Improvement Incentives (EPA Act 2005 Section 243)

* Dates are subject to change

Milestone	Date
Issue Guidance & Open Solicitation (Open 90 days)	March 22, 2023 – June 20, 2023
Notification of Eligibility	September 2023
Issue Payments	Upon Determination of Completion of Work



Maintaining & Enhancing Hydroelectricity Incentives Program (EPA Act 2005 Section 247)

Application period is now open!

Funds capital improvements at qualified facilities

- ▶ Federal Energy Regulatory Commission (FERC) licensed
- ▶ **\$553,600,000** to remain available until expended
- ▶ Incentive payments under this section shall not exceed **30%** of the costs of the applicable capital improvement
- ▶ Not more than **\$5,000,000** to any facility in any fiscal year



Maintaining & Enhancing Hydroelectricity Incentives Program (EPA Act 2005 Section 247)

Receive support to enhance existing facilities in three main areas:



▶ **Grid Resilience**



▶ **Dam Safety**



▶ **Environmental Improvements**

Maintaining & Enhancing Hydroelectricity Incentives Program (EPAct 2005 Section 247)

Summary of changes from draft guidance to final guidance

- ▶ Guidance reflects stakeholder feedback received on the Request for Information (RFI) released by DOE on June 30, 2022, and Draft Guidance released on February 8, 2023
- ▶ Extended application window from 60 to 150 days
 - Addition of a **Letter of Intent** period (**45 days**)
 - **Full Application** period (**105 days**)
- ▶ Allowance for capital improvements that have begun, but have not yet completed permitting or NEPA processes, with awards conditioned upon successful completion of permitting
- ▶ Initial payment of **1/3 of total incentive payment** upon FERC authorization
- ▶ Addition of FAQs to provide additional clarity



Maintaining & Enhancing Hydroelectricity Incentives Program (EPAAct 2005 Section 247)

In the event of oversubscription, DOE will follow the below process

- ▶ **It is our intent to fully fund as many eligible projects as possible**
- ▶ Scoring criteria rubric to prioritize which capital improvement applications are awarded funding
- ▶ Up to 25% reserved for small projects:
 - nameplate capacity of 10 MW or less owned or operated by a small business, Indian Tribe, municipality, nonprofit organization, or electric cooperative
- ▶ Top scoring applications will be selected in each of the three capital improvement categories (i.e., grid resilience, dam safety, and environmental improvements) for small projects and remaining eligible projects
- ▶ Applications with the same ranking will be ranked by nameplate capacity
- ▶ Prorating?



Tentative Schedule - Section 247 Maintaining & Enhancing Hydroelectricity Incentives

* Dates are subject to change

Milestone	Date
Draft Guidance Public Comment Period	February 8, 2023 – February 28, 2023
Issue Final Guidance & Open Solicitation	May 2023 – October 2023
Issue Initial Payments	Upon FERC Authorization
Issue Final Payments	Upon Completion of Work



Maintaining & Enhancing Hydroelectricity Incentives Program (EPAAct 2005 Section 247)

Info to Apply

- ▶ Submit **Letters of Intent** by 5:00 p.m. ET, **June 22, 2023**
- ▶ Submit **full applications** June 23, 2023, through 5:00 p.m. ET, **October 6, 2023**
- ▶ To be eligible to file a full application, prospective applicants must first file a Letter of Intent
- ▶ Submit through the Clean Energy Infrastructure Funding Opportunity eXCHANGE
- ▶ DOE Office Hours, Congressional Room, **May 9, 2023, 9:00 a.m. – 12:00 p.m.**
- ▶ Public Informational Webinar, **May 24, 2023, 1:00 – 3:30 p.m. E.T.**

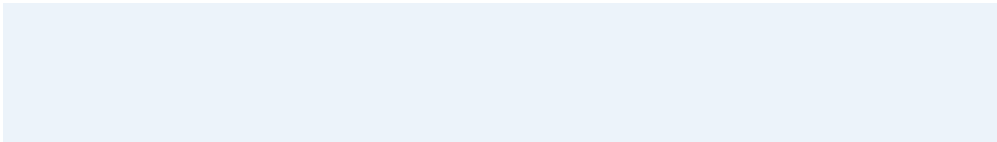


Thank you!

- ▶ **Hydroelectric Production Incentives (EPAAct 2005 Section 242)**
 - Submit applications by 5:00 p.m. **TODAY** for electricity generated and sold in CY21 and CY22
- ▶ **Hydroelectric Efficiency Improvement Incentives (EPAAct 2005 Section 243)**
 - Submit applications by **June 20, 2023**, at 5:00 p.m. ET
- ▶ **Maintaining & Enhancing Hydroelectricity Incentives (EPAAct 2005 Section 247)**
 - Submit Letters of Intent by **June 22, 2023**, at 5:00 p.m. ET
- ▶ **Sign up for the Grid Deployment Office Newsletter to receive updates. Be sure to select the Hydroelectric Incentives topic.**

*Visit the Hydroelectric
Incentives Program
Website*





Qualified Payment Steps

- ▶ Obtain a Tax Identification Number for the qualified hydroelectric generation facility.
 - Applying is a free service offered by the Internal Revenue Service. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), located in the United States or U.S. Territories <https://www.irs.gov/businesses>
- ▶ Create or update your Federal System for Award Management (SAM) account.
 - Entities registering in SAM.gov are assigned a Unique Entity ID (UEI). The Unique Entity ID is the official identifier for doing business with the U.S. Government as of April 4, 2022.
 - Note: Due to the high demand of Unique Entity Identifier (UEI) requests and SAM registrations, entity legal business name and address validations are taking longer than expected to process. Entities should start the UEI and SAM registration process as soon as possible. Register to get started doing business with the federal government at <https://sam.gov>



Improving Grid Resilience



- ▶ Adapting more quickly to changing grid conditions
- ▶ Providing ancillary services
- ▶ Integrating other variable sources of electricity generation
- ▶ Managing accumulated reservoir sediments



Environmental Improvements



- ▶ Adding or improving fish passage
- ▶ Improving water quality
- ▶ Promoting downstream sediment transport processes and habitat maintenance
- ▶ Improving recreational access

Improving Dam Safety



- ▶ Maintenance/upgrade of spillways or other appurtenant structures
- ▶ Dam stability improvements, including erosion repair and enhanced seepage controls
- ▶ Upgrades/replacements of floodgates or natural infrastructure restoration

Maintaining & Enhancing Hydroelectricity Incentives Program (EPAAct 2005 Section 247)

The Guidance consists of fourteen sections.

- i. **Purpose and Scope**
- ii. **Authority**
- iii. **List of Definitions**
- iv. **Who May Apply?**
- v. **What is a Qualified Hydroelectric Facility?**
- vi. **How will the Program allocate funding for eligible capital improvement projects?**
- vii. **At what stage in the development process would a capital improvement project be eligible to apply for an incentive payment?**
- viii. **What are the General Application Requirements?**
- ix. **What types of capital improvement projects qualify for incentive payments and what information does DOE need to determine whether a project is eligible?**
 - **Grid Resiliency**
 - **Dam Safety**
 - **Environmental Improvements**
- x. **What is the timing of incentive payments?**
- xi. **What are the procedures for processing applications?**
- xii. **FAQ (this section will include questions that don't easily fit within the above categories)**
- xiii. **Funding Restrictions**
- xiv. **Administrative Appeals**

Guidance reflects stakeholder feedback received on the Request for Information (RFI) released by DOE on June 30, 2022 and Draft Guidance released on February 8, 2023.

