



FY 2025 FEDERAL WATER POWER FUNDING PRIORITIES

INVESTMENTS TO EXPAND HYDROPOWER, PUMPED STORAGE,
MARINE ENERGY, AND CONDUIT POWER

DOE GRID DEPLOYMENT OFFICE (GDO):

Section 243 Hydroelectric Efficiency Incentive: NHA supports \$140 million for the program, which was first authorized by Section 243 of the Energy Policy Act of 2005, but was never previously funded before the BIL provided the initial \$75 million. In February 2024, GDO announced the selection of 46 hydro projects across 19 states to receive funds. In this one and only round of funding, the program was significantly oversubscribed with no remaining funds for additional rounds. The program supports owners and operators of existing hydro facilities, including pumped storage, to make capital improvements that can improve their efficiency by at least 3 percent. The February 2024 round of awards saw an average efficiency increase of 14 percent.

Section 247 Maintaining and Enhancing Hydroelectricity Incentives: NHA supports \$300 million for the program established under the BIL to maintain and enhance existing hydro facilities to ensure generators continue to provide clean electricity, while integrating renewable energy resources such as wind and solar, improving dam safety, and reducing environmental impacts. The BIL provided approximately \$554 million for the program. GDO expects to issue all of the funding in only one round as the program was also significantly oversubscribed having received 599 letters of intent.

DOE WATER POWER TECHNOLOGIES OFFICE (WPTO)

RDD&D Funding Recommendations: NHA supports \$225 million for Water Power, with \$150 million for marine energy and \$75 million for hydropower. Consistent and larger funding opportunities are needed for private sector-led optimization, commercialization, and scale-up of more advanced water power systems. Marine energy funding recommendations include increased support for system, subsystem, and component RDD&D; testing infrastructure; the TEAMER and UMERC programs; and, foundational research and operations at the university based National Marine Energy Centers.

DOE OFFICE OF CLEAN ENERGY DEMONSTRATIONS (OCED)

Technology Validation and Demonstration: NHA supports utilizing OCED funding to validate and demonstrate advanced water power systems, including those that have moved to higher technology readiness levels through prior investments from the WPTO. NHA recommends reprogramming unobligated funds from the Infrastructure Investment and Jobs Act (P.L. 117-58) within OCED to support advanced water power generation technology demonstrations, including for marine energy, hydropower, pumped storage, and conduit power.

Liftoff Report: NHA urges OCED to develop a Water Power Pathways to Commercial Liftoff report in 2024.

DOD NAVY ENERGY PROGRAM (NEP)

Marine Energy Systems for Sensors and Microgrids: NHA supports \$35 million for the NEP to accelerate the development and incorporation of marine energy technologies for national security applications. Marine energy systems are uniquely positioned to provide predictable power for future naval capabilities, including persistent surveillance, autonomous vehicle recharging, communications nodes, or other applications where legacy methods of power delivery are not available or are significantly limited. In addition, marine energy systems can increase the resiliency and security of DOD facilities by decreasing the need for long supply lines through hostile operating environments and providing redundant generation options.