



# HYDROPOWER LICENSE REFORM

## ACT NOW: STREAMLINE AND MODERNIZE THE FERC HYDROPOWER LICENSING AND RELICENSING PROCESS

### CHALLENGE:

**Hydropower Licensing is Costly and Time-Intensive:** The time involved in acquiring a license for an individual hydropower project can be highly variable and lead to increased project licensing costs, risks, and uncertainties. Licensing is frequently bogged down with bureaucratic reviews imposed by state and federal agencies. In fact, hydropower licensing requires participation of **up to 11 state and federal agencies**. Disagreements among stakeholders in negotiations over environmental studies can lead to protracted licensing timelines. If regulators determine a new study is necessary, developers must commission one, which can add both time and cost to the licensing process.

According to a study by the Water Power Technologies Office, it takes an **average of 5 years** to obtain an original license, while relicensing takes **an average of 7.6 years**, but can take **a decade or longer** for larger facilities. The report found that relicensing costs regularly **exceed \$10 million** for projects generating more than 10 MW, exclusive of the expense of implementing the structural upgrades typically necessary to secure a renewal. The costs of relicensing may render some projects uneconomic and lead to license surrender.

**The Existing Hydro Fleet is at Risk of Retirement:** Due to the substantial time, costs, and uncertainty associated with relicensing, **41 hydropower facilities submitted license surrender applications over the last decade**, and more than **one-third of hydropower asset owners** indicated they are actively considering decommissioning. This puts **17 GW** of clean, reliable, baseload energy (enough to power **13 million** U.S. homes and businesses) at risk.

### SOLUTION:

Congress should **co-sponsor and vote YES** on **H.R. 4045, the Hydropower Clean Energy Future Act** and **S. 1521, the Community and Hydropower Improvement Act**. While slightly different, both bills would improve FERC licensing and relicensing procedures by reducing timelines for projects that have lower environmental impacts and limit license conditions to project effects.

### KEY IMPROVEMENTS:

**Expedite and Add Certainty to the Hydropower Permitting Process:** Both bills will provide regulatory certainty, help developers build new, reliable, clean energy generation, and bring hydropower development timelines closer to the development timelines associated with other renewables.

**Coordinate Agency Decision-making:** Both bills require the FERC to establish, via rulemaking, a public schedule for hydropower licensing that better attempts to coordinate FERC and the resource agencies to work toward compliance with all federal authorizations necessary to authorize the project. By improving decision-making and coordination among all stakeholders, this legislation addresses the excessive time, cost, and uncertainty associated with the current process.

**Tie Mandatory License Conditions to Project Effects:** Under the existing licensing framework, resource agencies with mandatory conditioning authority under FPA sections 4(e) and 18 often impose license conditions and fishway prescriptions on hydropower operators that are unrelated to the effects of the project itself. Both proposals clarify, by statute, that these mandatory license conditions must be related to the effects of the project, which will avoid unnecessary costs and delays associated with challenges unrelated to their operations.

**Improve Discipline in Requiring New Scientific Studies in Hydropower Licensing:** Both bills require to the extent practicable, that resources agencies use relevant scientific information, including existing studies and data, to make licensing decisions. If either federal or state agencies require new studies, FERC and those agencies must provide a written explanation for the necessity of the study, including cost considerations.

**Overcome Barriers in Hydropower Development by Increasing Understanding Through Study:** Both bills require FERC to study barriers to hydropower development at various scales. S. 1521 focuses on small-scale hydropower and H.R. 4045 focuses on large-scale hydropower and energy markets.