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Unlock Hydro - Realizing Hydropower's Clean Energy Potential

NHA urges Congress to modernize hydropower licensing and adopt further improvements

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 (EPAAct 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 now and FY 2032, existing licenses will expire for over 300 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 plants, new pumped storage, new conduit power projects, advancing low-impact green field sites, along with the deployment of marine energy 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 and as a provider of important grid reliability and resiliency services, the need for which is only growing. 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.

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, particularly at existing infrastructure, establishing that the scope of environmental review and approval is commensurate with the scope of the project.

Background: Congressional Hydropower Licensing Efforts

In the 115th 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 (H.R. 3043 and S.B. 1460). These bills received bipartisan support and sought to promote greater transparency, accountability, cooperation, and efficiency, while also preserving environmental values.

In the fall of 2018, Congress also passed, in a bipartisan fashion, the America's Water Infrastructure Act (AWIA), which contained important, though targeted, provisions to address development at non-powered dams, closed-loop pumped storage and conduits, among others. NHA believes Congress should build on the success of AWIA and pass legislation that addresses the remaining fundamental issues in the licensing process. Again, hundreds of projects are coming up for relicensing and NHA is already hearing from owners, especially of small hydro projects, who may have to surrender and decommission facilities if process improvements are not adopted. The loss of these clean, renewable energy resources serves only to make the attainment of our national clean energy goals more difficult to reach.

This year, NHA looks forward to continuing our work with Congress, the Administration, and other stakeholders to pass legislation. After years of discussion, hearings, legislative proposals, negotiations and mark-ups, the stage is set for final action on licensing reform.

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 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 of these projects.

NHA calls on Congress to pass hydropower legislation in 2019 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 fleet.

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 or 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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