

National Hydropower Association

Federal Support Needed for Hydropower and Waterpower Technologies



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About NHA

- NHA is a nonprofit national association dedicated exclusively to advancing the interests of the U.S. hydropower industry, including the new waterpower technologies – ocean, tidal and instream hydrokinetic power.
- Ocean, Tidal and New Technologies Council



U.S. Energy Policy Drivers

- Increasing pressure to address climate change has led to a growing demand for:
 - New energy supply
 - Clean energy solutions
 - Domestic sources
- Hydropower and waterpower technologies, as clean renewable resources, have a significant role to play.



Growth Potential – Busting a Myth

- Number one myth – the hydropower resource is tapped out.
- The EPRI report demonstrates overall growth potential at 85,000 to 95,000 MW, with 23,000 MW available by 2025.



Policy Investments Critical To Success

- Continued growth is inextricably tied to:
 - Tax incentives
 - Clean energy incentives
 - R&D support
 - Reinvention of regulatory scheme, particularly for new technologies



Tax Incentives

- Section 45 Production Tax Credit (PTC)
 - Long-term extension - 5 years minimum is needed
 - Credit parity
 - Inclusion of additional hydro at non-hydro dams
 - Inclusion of ocean, tidal and instream hydrokinetic technologies



Incentives continued...

- Clean Renewable Energy Bonds (CREBs)
 - Counterpart to the PTC for non-tax paying entities
 - Long-term extension needed
 - Additional funding to meet demand for the program is also needed



Incentives continued...

➤ Other possible initiatives:

- Grant programs
- Low interest loan programs
 - Funding could be used for environmental studies and other research needs.



Research & Development

- The DOE's FY08 budget request - **zero dollars**
 - No funding for conventional or new technologies
- House Appropriations Committee on Wednesday approved \$22 million
 - EPRI report highlights initiatives and need for funding at even greater amount



Clean Energy Programs

RPS

- Renewable Portfolio Standard (RPS) – federal program should treat hydropower equitably
- RPS should include:
 - Incremental hydropower
 - Hydropower at non-hydro dams
 - Ocean, tidal and hydrokinetic technologies



Regulatory Process

- Particularly an issue for new techs:
 - New technologies may require new regulatory approaches
 - Companies are hoping for a clear, concise process that can provide certainty
 - FERC/MMS jurisdiction resolution

Current Proposals

- **S.1370** – Clean Energy Investment Assurance Act, sponsored by Senator Cantwell
- **H.R. 2036** – Marine and Hydrokinetic Renewable Energy Promotion Act, sponsored by Rep. Inslee
- **S.411 and S.425** – PTC credit parity bill and kinetic hydropower PTC inclusion bill sponsored by Senator Smith
- **H.R. 2313** – Marine Renewable Energy Research and Development Act of 2007 sponsored by Rep. Hooley
- **S. 1531** – Clean Renewable Energy and Economic Development Incentives Act of 2007, sponsored by Senator Reid



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