



August 15, 2016

The Honorable Lisa Murkowski
Chairman
Energy and Natural Resources Committee
United States Senate
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
United States House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Maria Cantwell
Ranking Member
Energy and Natural Resources Committee
United States Senate
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Frank Pallone
Ranking Member
Energy and Commerce Committee
United States House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Murkowski and Upton and Ranking Members Cantwell and Pallone:

The National Hydropower Association (NHA), American Public Power Association (APPA), Edison Electric Institute (EEI) and National Rural Electric Cooperative Association (NRECA) write to you once again to express our support for your work to pass a comprehensive energy bill this year.

As you continue the important work to resolve differences between the House and Senate energy bills, we urge you to include a strong hydropower title that improves the licensing and regulatory approval process for new hydropower development and relicensing of existing projects.

Hydropower is America's single largest provider of renewable electricity, making up almost one-half of all generation from renewable resources. Given that hydropower is an important source of emissions-free, baseload power needed to ensure consistent and reliable electric service, we must look to preserve and protect our existing hydropower system and promote new expansion opportunities in the industry.

In order to do so, the current licensing process must be modernized to add accountability and transparency, eliminate inefficiencies and redundancies, and unlock innovation and advancements in technology and operations. We believe the provisions in both the House and Senate energy bills, taken together, will implement this new direction, and do so in a way that protects environmental values, public participation, and the authorities of federal and state decision-makers in the licensing process.

Specifically, priority improvements we seek in a final conference report include:

- Directing the Federal Energy Regulatory Commission to lead the coordination of the many approvals needed for hydropower projects and to work with agencies and other licensing participants to set timely schedules;

- Holding all participants to the schedule by including mechanisms that provide consequences for undue or unjustified delays, while also providing sufficient resources and time for decision-makers to complete their work;
- Protecting and improving on the important licensing improvements achieved in the Energy Policy Act of 2005 for trial-type hearing and alternative conditions;
- Clarifying that certain mandatory conditioning authority is limited to addressing actual project effects; and
- Providing new, more efficient approval processes for targeted categories of much needed and low-impact projects, such as environmentally beneficial license amendments, building on non-powered dams, and closed-loop pumped storage.

As you are aware, the current hydropower licensing process can result in both new and existing projects taking 10 years or longer to receive their approvals. This not only creates uncertainty for project owners and developers alike, but burdens electricity customers with additional unnecessary costs and only delays important environmental measures that the industry, resource agencies and the environmental community agreed upon during the licensing process and want to see deployed.

The Department of Energy has recently released a landmark report on the benefits of the existing hydropower system and new growth opportunities. That report, *Hydropower Vision: A New Chapter for America's 1st Renewable Electricity Source*, estimates that the hydropower industry could add 50 GW of new capacity by 2050. However, we believe this growth potential will not be fully realized without the adoption of policies like those contained in the House and Senate energy bills.

Once again, thank you for work on this critical issue. Our organizations offer ourselves as a resource for you and your staff to provide any assistance and additional information that is needed.

Sincerely,



Linda Church Ciocci,
NHA Executive Director



Susan N. Kelly
APPA Chief Executive Officer



Thomas Kuhn
EEI President



Jim Matheson
NRECA Chief Executive Officer