

Jeff C. Wright, Director, Office of Energy Projects

Federal Energy Regulatory Commission

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Chairman Wyden, Ranking Member Murkowski, and Members of the Committee:

My name is Jeff Wright and I am the Director of the Office of Energy Projects at the Federal Energy Regulatory Commission. I appreciate the opportunity to appear before you to discuss S. 545, "Hydropower Improvement Act of 2013" and H.R. 267, "Hydropower Regulatory Efficiency Act of 2013."

The Commission regulates over 1,600 non-federal hydropower projects at over 2,500 dams pursuant to Part I of the Federal Power Act (FPA). Together, these projects represent 54 gigawatts of hydropower capacity, more than half of all the hydropower in the United States. The FPA authorizes the commission to issue licenses and exemptions for projects within its jurisdiction. About 70% of the hydropower projects regulated by the commission have an installed capacity of 5 mega-watts or less.

I will turn now to the draft legislation.

Section 5 of S. 545 and section 6 of H.R. 267 require the commission to investigate the feasibility of implementing a two year licensing process at existing non-power dams and for closed loop pump storage projects. I support the goal of an expedited licensing process. It is commission staff's goal to act on all license applications as quickly as possible and the commission has established processes that allow for great flexibility and efficiency. I'm not certain whether an additional licensing process is necessary. We have been able to issue some licenses in a matter of a few months where the project proponent has selected a site wisely, stake holders have agreed on information needs, and state and federal agencies perform their responsibilities quickly. Moreover the commission operates under significant constraints imposed by the FPA and by other legislation affecting the licensing process, the clean water act, coastal zone management act, endangered species act, and the national historic preservation act among them. Without the ability to waive sections of the FPA and other acts or to set enforceable schedules in licensing proceedings, it is not clear that the commission under its existing authorities can establish a shortened process.

Section 6 of S. 545 and section 4 of H.R. 267 would establish various measures to promote conduit hydropower projects which is consistent with commission policy and has been a major focus of commission staff's efforts in the last few years. These sections would amend section 30 of the FPA to establish a procedure whereby qualified conduit projects with an installed capacity of 5 megawatts or less would not be required to be licensed. I support this provision which would serve to increase the amount of electric generation derived from conduits. This would also allow the commission to grant conduit exemptions on federal lands and would permit the commission to issue conduit exemptions for those projects with an installed capacity of up to 40 mega-watts for both non-municipal as well as municipal applicants.

Section 7 of S. 545 and section 3 of H.R. 267 would amend the public utility regulatory policies act of 1978 to increase the maximum capacity of a project which could be granted the small hydropower exemption from 5,000 to 10,000 kilo watts. This would promote the development of small hydropower by allowing more projects to qualify for this exemption and I therefore support this provision.

Section 8 of S. 545 and section 5 of H.R. 267 would amend the FPA to authorize the commission to extend the term of a preliminary permit issued under FPA section 5 once, for up to two years. Commission staff has heard that developers are concerned that the need for environmental studies can make it difficult to complete a license application within the current maximum 3 year term of a permit with the result that a developer which has invested substantial time and monies studying a project, may face the possibility of losing its project based on competition from other entities if it needs to seek a subsequent permit. I therefore support the FPA amendment.

Section 9 of S. 545 and section 7 of H.R. 267 would require the Department of Energy to study the flexibility and reliability that pump storage facilities can provide and the opportunities and potential generation from conduits. While I cannot speak for the Department of Energy, I support such research. In conclusion, there is a great deal of potential for the development of additional hydropower projects throughout the country including small projects including marine and hydrokinetic projects. Working within the authority given it by congress, the commission continues to adapt its existing flexible procedures to facilitate the review and where appropriate the approval of such projects.

Commission staff remains committed to exploring with all stakeholders every avenue for the responsible development of our nation's hydropower potential. The legislation under consideration will assist in realizing that potential.

That concludes my remarks and I'd be pleased to answer any questions you may have.