
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

February 15, 2007
Docket Nos. RM07-8, P-12713

COMMISSION SEEKS COMMENTS ON PERMITTING PROCESS FOR WAVE, CURRENT AND INSTREAM NEW TECHNOLOGIES

The Federal Energy Regulatory Commission is seeking public comment on how to process preliminary permit applications for wave, current, and instream hydropower technologies in light of an increasing interest in these new technologies. Also, the Commission is seeking comment on how it should enforce permits once they are issued.

Chairman Joseph T. Kelliher said: “These emerging new hydroelectric technologies have significant potential. However, these technologies present some challenges relating to reliability, environmental and safety implications, and commercial viability. Our action today announcing an interim policy while seeking comment on alternative approaches shows that we are dedicated to demonstrating regulatory flexibility with respect to development of these promising new hydroelectric technologies.”

Commissioner Phillip D. Moeller observed: “There is a lot of enthusiasm for these new hydropower technologies, and I share that enthusiasm. I am pleased that the Commission is acting today to improve its permitting process in order to further the development of these new technologies.”

In a Notice of Inquiry, the Commission is seeking comment on the following alternatives for reviewing preliminary permit applications:

- Maintain the standard preliminary permit review process currently in use. This process involves moderate scrutiny of applications and generally does not include specific requirements for project progress reports.
- Provide stricter scrutiny of permit applications and limit the boundaries of the permits to prevent site-banking and promote competition. Additional scrutiny could include public outreach and agency consultations, development of study plans, and deadlines for filing a notice of intent to file a license application and a preliminary licensing document. This would also require

that progress reports demonstrate compliance with specific milestones.

- Decline to issue preliminary permits for these new technologies altogether.

Until the Commission determines how it will review permit applications for these technologies, it will use the “stricter scrutiny” alternative approach, which addresses a significant number of issues raised at a technical conference the Commission held on December 6, 2006, to explore the environmental, financial, and regulatory issues associated with these new hydropower technologies.

Comments on the notice are due 60 days after publication in the *Federal Register*.

In a related action, the Commission applied its interim approach for issuing preliminary permits for these new technologies for the first time to Reedsport OPT Wave Park LLC (P-12713) to study a proposed 50-megawatt project to be located in the Pacific Ocean off the coast of Oregon.

In addition to the typical six-month progress reports to the Commission by the permit holder, the Commission is requiring the permittee to file, within 45 days of issuance of the order, a schedule of activities to be carried out under the permit and target dates for completion of these activities. In addition, consultations with the appropriate federal, state and local agencies as well as other interested parties must take place. If significant progress is not evident in the periodic reports to the Commission, or the permit holder fails to comply with any other conditions, the permit may be canceled.

A preliminary permit preserves the right of the permit holder to have the first priority in applying for a license for the project being studied. A preliminary permit, which typically is for three years, does not authorize construction and requires the holder of the permit to file progress reports with the Commission on a regular basis. The permit provides a potential license applicant three years in which to develop a formal application for a license, which is required to construct and operate a hydropower project.