



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

July 19, 2007

Docket No. AD07-14-000

NEWS MEDIA CONTACT

Mary O'Driscoll - 202.502.8680

Commission Announces Pilot Project Licensing Process for New Hydropower Technologies

The Federal Energy Regulatory Commission today announced it will convene a technical conference on licensing pilot projects for ocean energy hydro technologies to discuss a staff proposal for a process that could complete licensing in as few as six months.

Commissioner Philip Moeller will lead the conference, to be conducted Oct. 2, 2007, in Portland, Oregon. It is the latest in a series of measures the Commission has undertaken since 2006 to address intensifying interest in the development of ocean, wave and tidal, or hydrokinetic, technologies.

"Perhaps the greatest barrier to realizing the potential of new hydrokinetic technologies is that they are unproven," Chairman Joseph T. Kelliher said. "These technologies must be demonstrated before large scale commercial deployment can occur. Today we take a major step to reduce the barriers to the success of these new hydro technologies, by proposing a simplified licensing process suitable for licensing pilot projects."

"This new generation of hydrokinetic technologies will bring hydropower to the forefront of the renewable energy debate," Commissioner Moeller said. "It is generating a lot of enthusiasm throughout the country, particularly in coastal states like my home state of Washington. FERC wants to harness this enthusiasm by exploring ways to reduce the regulatory barriers to realize the amazing potential of this domestic renewable power source—one that can help meet renewable portfolio standards established by states."

The goal of the Commission staff proposal is to complete the full project licensing process in as few as six months, provide for Commission oversight and input from affected states and other federal agencies, and allow developers to generate electricity while conducting the requisite testing.

The process would be available for projects that are 5 megawatts or smaller, removable or able to shut down on relatively short notice, located in waters that have no sensitive designations, and for the purpose of testing new hydro technologies or determining appropriate sites for ocean, wave and tidal energy projects.

At its December 2006 conference on hydrokinetic energy, the Commission learned that these technologies are in a developmental phase, which presents significant risks for developers due to a lack of information about engineering performance and environmental effects, and limited access to financing.

In response to the Commission's February 2007 Notice of Inquiry on preliminary permits for the new technologies, at least 14 entities addressed the need for a pilot program licensing process.

Comments included recommendations that FERC address the unique characteristics of pilot projects by: permitting connection to the national grid both for study purposes and to generate revenue; implementing a





simpler, faster review process; requiring site restoration following experimental deployments; and requiring a license period of five years rather than 30-50 years.

For more information on hydrokinetic energy, go to: <http://www.ferc.gov/industries/hydropower/industry-act/hydrokinetics/energy-pilot.asp>

(30)

R-07-42

