



Federal Energy Regulatory Commission
October 19, 2017
Open Commission Meeting
Staff Presentation
Item H-1

"Item H-1 is a Policy Statement that revises the Commission's policy for establishing license terms at non-federal hydroelectric projects. The Policy Statement follows the Commission's Notice of Inquiry issued last November that invited comments on whether, and if so how, the Commission should revise its license term policy. The NOI sought comments on five license term policy options and encouraged comments recommending other alternative policies. In total, over 40 responses were filed by industry members, federal and state resource agencies, environmental and recreation groups, and individuals.

"After considering the responses to the NOI, the Commission has decided it is in the public interest to change its license term policy. With this Policy Statement, the Commission establishes a 40-year default license term for original and new licenses for hydropower projects located at non-federal dams. There are three circumstances where the Commission will consider issuing a license for less or more than 40 years. First, the Commission will establish a shorter or longer term if necessary to coordinate license terms for projects located within the same river basin. Second, the Commission will defer to a shorter or longer term explicitly agreed upon in a generally-supported comprehensive settlement agreement, provided that such term does not conflict with coordination of license terms for projects located within the same river basin. Third, the Commission will consider a longer license term when a license applicant requests a longer license term based on significant measures expected to be required under the license to be issued or voluntarily implemented during the prior license term, again, provided that such term does not conflict with coordination of license terms for projects located within the same river basin.

"The Commission's new license term policy will have many benefits. It will provide greater certainty to licensees, resource agencies, and other stakeholders. Because many projects would be relicensed less frequently, the policy would also lower administrative costs for all stakeholders and provide licensees longer license terms to recoup costs. The policy may also encourage licensees to voluntarily make capacity upgrades and enhance recreational and environmental resources during the prior license term in order to obtain a subsequent license term longer than 40 years. In addition, the policy may further encourage license applicants and stakeholders to negotiate a license settlement agreement.

"The Commission will apply this new policy to licenses issued following the date of its publication in the Federal Register with no retroactive application. License applicants with pending license applications may file a comprehensive settlement agreement, or an addendum to an existing agreement, that includes an explicitly agreed upon license term, or may make a filing demonstrating why the Commission should award them a longer license term. The Commission, however, will not entertain applications to amend existing licenses to extend their license terms simply on the basis of this new license term policy.

"This concludes our presentation. We are happy to answer any questions you may have."