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## **FERC Hydrokinetic Energy Project Policy Statement Allows Conditioned Licensing**

The Federal Energy Regulatory Commission (FERC) today issued a policy statement that allows the Commission to issue conditioned licenses for hydrokinetic energy projects under appropriate circumstances.

The policy statement covers projects that use currents, waves and tides to generate renewable electric energy. It allows FERC to issue licenses for new hydrokinetic projects even though certain authorizations required from other entities are outstanding. Licenses issued under these circumstances would include conditions precluding the licensee from starting construction until it has obtained all necessary authorizations.

“FERC has been flexible with its regulatory abilities with respect to hydrokinetic projects so that these new projects can move forward as quickly as possible,” FERC Chairman Joseph T. Kelliher said. “Today’s policy statement continues that tradition and provides regulatory certainty to developers.”

The policy statement is consistent with FERC’s approach to approving certificates for natural gas pipelines and authorizations for liquefied natural gas (LNG) facilities under the Natural Gas Act. FERC issues authorizations for these projects while applicants are still awaiting the issuance of permits from other federal and state entities.

Issuing conditioned licenses for hydrokinetic technologies will have no environmental impact, will not diminish the authority of the states or other federal agencies, and will improve the ability of project developers to secure financing of demonstration projects, FERC said.

In December 2006, the Commission held a technical conference on hydrokinetics to hear from state and federal agencies, tribes, developers and stakeholders. As a result of that conference, FERC on Feb. 15, 2007, issued a notice of inquiry and interim policy statement adopting a “strict scrutiny” approach to reviewing preliminary permits.

On Oct. 2, 2007, FERC conducted a Commissioner-led technical conference in Portland, Oregon, to discuss a pilot project license process the Commission staff introduced in July 2007 which expedited the licensing process for certain hydrokinetic project proposals. Public comment was received from interested parties throughout all of these steps and reviewed by the Commission.

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