



**Federal Energy Regulatory Commission
December 6, 2006
Technical conference on
Hydroelectric Infrastructure AD06-13-000
Statement of
Chairman Joseph T. Kelliher**

"Good Afternoon. Welcome to the Commission's annual hydropower conference.

This conference is different from those of recent years. In the past, we have focused on licensing proceedings that have experienced significant delays. We examined the causes of delays, and concluded that in most cases delays result from failure of state agencies to issue clean water act permits in a timely manner.

This conference is different. It is the first Commission conference to examine new hydroelectric technologies, namely technologies that would utilize ocean waves, tides, and currents and from free-flowing rivers.

Over the past year we have seen increasing interest in these technologies as evidenced by numerous articles in the news media and by a surge in applications for preliminary permits here at the Commission.

Last month, we received the very first license application for a wave energy project off the coast of Washington. Staff has issued 11 preliminary permits; three are for proposed tidal energy projects (in New York, Washington, and California), and eight are for proposed ocean current energy projects (off the coast of Florida). Approximately 40 preliminary permit applications for ocean projects are currently before the Commission, all of which have been filed since March of this year.

Given this increased activity in non-conventional hydropower technologies, we are convening this conference to learn more about these technologies from representatives of industry, other state and federal agencies, NGOs, and members of the public.

These technologies have significant potential. Today, we expect to hear how these technologies can fit within the national energy infrastructure in terms of the amount of potential energy that can be developed and its reliability, environmental and safety implications, and commercial viability.

In particular, there are three areas that we want to examine: the environmental effects of developing this new infrastructure; financial issues having to do with the costs of research, development, and build-out; and regulatory processes that may affect the ability of this new industry to succeed.

This conference will provide a better understanding of these technologies and enable us to formulate prudent "next steps" in our regulation of this nascent industry.

I look forward to hearing the views of the panelists."