

# **Small Hydro Workshop**

**NW HYDROELECTRIC  
ASSOCIATION**



# The FERC Process

## Regular License Process

- Preliminary Permit
- Full License Process
- Permanent Condition

## Review Process

- Integrated License Process
- Traditional Licensing Process
- Alternative Licensing Process

# FERC Exemption Process

## SMALL HYDRO EXEMPTION

- Project of 5 MW or less
- Install at non-federal pre-existing dam or at a natural water feature
- On federal lands, any applicant
- On non-federal lands, applicant must have a land interest (ownership, lease, control)
- Project area is diversion and all components of the project

# FERC Exemption Process

## SMALL CONDUIT HYDRO FACILITY

- Up to 15 MWs, generally
- Obtain real property interest
- Cannot occupy federal lands
- Categorically exempt from EA or EIS
- Project area is only the power generation portion of the project area



## **EXISTING DIVERSION PROJECTS**

# HB 2785

Proposes expedited process for projects

- ✓ Part of artificial delivery system
- ✓ Existing water right
  - ✓ **Cannot exceed current quantity – rate and duty**
  - ✓ **Cannot exceed season of use**
- ✓ Qualifies for a FERC Exemption
- ✓ Applicant owns or controls conveyance system
- ✓ Fee of \$500
- ✓ Map and drawing of project and project area
- ✓ Evidence of use over past 5 years
- ✓ Fishscreen or by-pass as required by ODFW

## HB 2785 continued

- ✓ Measured diversion
- ✓ No priority date
- ✓ Expedited process
- ✓ 50 year review

# OTHER INCENTIVES





# STATE INCENTIVES

Already discussed:

## State Programs

- BETC Credit
- Small Scale Energy Loan Program
- OECDD
- Energy Trust of Oregon

# ADDITIONAL INCENTIVES

## FEDERAL INCENTIVES

### Energy Policy Act of 2005 and 2006 Amendments

#### Production Tax Credits

--in service by January 2009

(proposal to extend date)

--.9 cents credit

(proposal to change to 1.8 cents)

--for a period of 10 years

# Additional Federal Incentives

- Clean Renewable Energy Bonds (CREBS)
  - for municipal governments, coops, tribes and others
  - bonds must be issued before December 31, 2008 (extended)
  - \$800 million authorized for 2007
  - \$400 million more authorized for 2008

# Additional Federal Incentives

- Hydroelectric Production Incentives
  - new hydro at existing dams or conduits
  - cannot enlarge impoundment or diversion
  - for non-federal entity applicants
  - new hydro development at federal dams by non-federal entities
  - 1.8 cents per kwh

A vertical blue graphic on the left side of the slide, featuring a water splash with a prominent droplet and ripples.

## □ Hydroelectric Production Incentives (continued)

- must be on-line by 2015
- credit available for 10 years
- no more than \$750,000 per year
- \$10 million per year available  
between 2006-2015  
(not appropriated yet for current year)

# IRRIGATION PROJECTS

For farmers and irrigation districts with existing diversions, renewable hydropower provides an opportunity to

- Expand on existing facilities and secure additional income
- Farmers can provide energy for their own use (districts can't; precluded by statute)
- Districts can generate new revenues to displace loss of lands to urbanization

# EXAMPLE



# Swalley Irrigation District

- ❖ Pipe 5.1 miles of open canal
- ❖ Conserve 27 cubic feet per second of irrigation water and place permanently instream
- ❖ Minimizes maintenance
- ❖ Conserves energy at each turnout by providing pressurized water for users
- ❖ Generate about 1 MW of energy
- ❖ Net income of approximately \$250,000 annually



# WWW.NWHYDRO.ORG

Northwest Hydroelectric Association  
Advancing the Interests of the Hydroelectric Industry

Compliance  
Tracker  
Software

In the Northwest, hydroelectric  
plants a significant role in  
meeting our daily needs,  
providing up to 80% of the  
electricity produced each year!

ANNOUNCEMENT !  
Mark Your Calendar

2007 Annual Conference  
February 28-29, 2007

2006 PRC License  
Compliance Practice  
NOV 14

Water  
Water Control  
Commission  
Management  
2007 Power Plant  
Operations  
Design Team  
Hydrology  
Electricity  
California

Annual Conference  
Plant Operations  
Compliance Workshops  
License  
Manufacture  
Design Team  
Regulation/Permitting  
Marketing  
Outfitting

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