



June 9, 2023

The Honorable Joe Manchin
 Chairman
 Committee on Energy and Natural
 Resources
 United States Senate
 306 Hart Senate Office Building
 Washington, D.C. 20510

The Honorable John Barrasso
 Ranking Member
 Committee on Energy and Natural
 Resources
 United States Senate
 307 Dirksen Senate Office Building
 Washington, D.C. 20510

Dear Chairman Manchin and Ranking Member Barrasso:

We, the undersigned companies, write to you as members of the hydropower industry to urge that the Senate include S. 1521, the *Community and Hydropower Improvement Act*, in any bipartisan energy permitting package that moves throughout the remainder of the 118th Congress.

Hydropower provides electricity to an estimated thirty million Americans, providing more than 30 percent of U.S. renewable power generation. Pumped storage hydropower accounts for 67 percent of U.S. energy storage. Both hydropower and pumped storage are sources of dispatchable, low-cost electricity that ensure 24/7, reliable electricity as we transition to a grid increasingly powered by variable wind and solar. Hydropower dams also provide important non-power benefits to communities, such as navigation, recreation, flood control, and water storage for drinking water and agriculture.

Hydropower and pumped storage, and the benefits they provide, are jeopardized by the lengthy and uncertain federal licensing and relicensing approval timeline. According to Department of Energy analysis, relicensing an existing hydropower facility takes 7.6 years on average, with some projects taking more than a decade to secure their relicensing. In a highly competitive energy market environment, this uncertainty negatively impacts investment decisions in the hydropower sector and puts hydropower at a competitive disadvantage.

By 2030, 281 existing hydropower and pumped storage facilities, accounting for 13.8 GW, are set to have their licenses expire. This represents about 30 percent of the roughly 1,000 active FERC licenses. By 2035, almost half of the licenses for the non-federal hydropower fleet will expire. These numbers underscore the importance of Congress acting now to provide regulatory certainty for hydropower and pumped storage facilities.

In response to the threat posed by looming relicensing, the hydropower industry, environmental organizations, dam safety advocates, and tribal representatives, have negotiated a holistic licensing reform package that creates common ground to preserve and enhance the existing hydropower fleet while ensuring that environmental concerns are addressed, and the rights of tribal nations are respected. The bill would also create a streamlined two-year process for adding generation to non-powered dams and a three-year process for closed loop or off-stream pumped storage. These compromises are embodied in the text of the *Community and Hydropower Improvement Act*, and we believe this compromise reform proposal will help ensure the long-term viability of the hydropower industry by reducing administrative uncertainty and red tape in the licensing and relicensing process.

Hydropower is critical for ensuring grid reliability, reducing carbon emissions and energy costs, and meeting our nation's climate goals. Now is the time to fix the longstanding issues associated with the hydropower licensing and relicensing processes. Enacting S. 1521 into law will accomplish this and ensure hydropower's place as an essential foundational piece of our nation's clean energy future.

Sincerely,

New England Hydropower Company, LLC

Firstlight Power

Seattle City Light

Advanced Hydro Solutions

Ampersand Hydro

NorthWestern Energy

Northbrook Energy

Kleinschmidt Associates

The Bowersock Mills and Power Company

Tacoma Power

Natel Energy

PacifiCorp

Nelson Energy, LLC

United Brotherhood of Carpenters and Joiners of America

Rye Development

Alabama Power Company

Georgia Power Company

Southern Company

Northern Wasco County People's Utility District

Techno Hydro

NYPA

ANDRITZ Hydro Corp.

Current Hydro

Berkshire Hathaway Energy

Caloma Capital Partners