

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
Hearing: “Improving the Hydropower Licensing Process”
June 7, 2018

(As prepared for delivery)

Good morning. Today, the Energy Subcommittee will examine the benefits of our nation’s hydroelectric resources and how we can improve upon the existing framework to more efficiently license and relicense non-Federal hydropower projects in the United States. To help us better understand this complex and multi-agency process, we are joined by a panel of experts representing five agencies that play a significant role in the hydro licensing process. Thank you for being here to testify this morning.

Although the nation’s first hydroelectric plant began generating electricity in 1882 in Wisconsin, next door in Michigan we have been served by a dependable fleet of hydropower dams – many of which have been in operation since the early 1900s. Nearly 8 percent of the country’s electricity is now produced by renewable hydropower. That number has the potential to substantially grow in coming years as the demand for clean energy increases, and as advancements in hydro technologies occur.

While the energy industry is in the midst of a debate regarding whether coal and nuclear resources should be compensated for their baseload characteristics, it is easy to overlook that hydropower produces a significant amount of clean, zero emissions, baseload electricity. Hydropower also contributes to the flexible and reliable operations of the electric grid by providing more than just energy and capacity. Hydropower facilities provide many ancillary services. In fact, the old-fashioned pumped-storage infrastructure which has been contributing to the grid since the 1920s closely resembles today’s newer energy storage and battery technologies.

Setting aside the many benefits that affordable hydropower provides to our economy and national security, the focus of today’s hearing relates to how non-Federal hydropower projects are licensed and how this process can be improved. As the lead agency for licensing, the Federal Energy Regulatory Commission is authorized by the Federal Power Act to review proposals for the construction of

hydropower facilities, as well as to oversee the operations and safety of hydro facilities over their license term, ranging from 30 to 50 years.

However, the licensing of new hydropower facilities and the relicensing of existing facilities requires extensive consultation with various resource agencies at the Federal, state, and local levels. Those agencies, including NOAA, the Army Corps of Engineers, EPA, and the U.S. Fish and Wildlife Service play an important role in lending their expertise and evaluating a range of impacts that a hydro project may have on the natural environment. Their collective analysis assists FERC in the preparation of an Environmental Impact Statement (or “EIS”), and the input of these “cooperating agencies” can influence the mandatory conditions that a hydro developer must agree to follow in order to receive a license approval from FERC.

Unfortunately, we have heard of some instances and examples where resource agencies are failing to cooperate with FERC by withholding necessary authorizations to allow the project to proceed. While a typical relicensing action should take approximately 5 years according to FERC, it is not uncommon for the process to stretch much longer. Just last month, FERC Chairman McIntyre provided me with a long list of hydro projects that are waiting for other agencies to act before FERC can issue a decision.

Too frequently, FERC cannot take final action because other agencies such as the National Marine Fisheries Service or the Fish & Wildlife Service have not completed its consultation pursuant to the Endangered Species Act. In other instances, FERC has been waiting years for a state agency to issue a water quality certification under section 401 of the Clean Water Act. In one case, FERC completed its NEPA review in 2004, but is still waiting on approvals from a California state agency and Fish & Wildlife. That’s 14 years!

We cannot allow important infrastructure such as hydropower projects to fall victim to an endless bureaucratic process – it’s simply not fair. I am optimistic, however, that these agencies will make progress towards improving their coordination and the timely processing of environmental reviews. Notably, the agencies appearing today, along with many others, signed an MOU in April seeking to establish a “cooperative relationship” and expedite authorizations of major infrastructure projects, including hydropower facilities.

I look forward to hearing from our agency witnesses on how together we can improve and streamline the existing licensing process and, in turn, encourage the development of new and needed hydropower resources in the United States.