

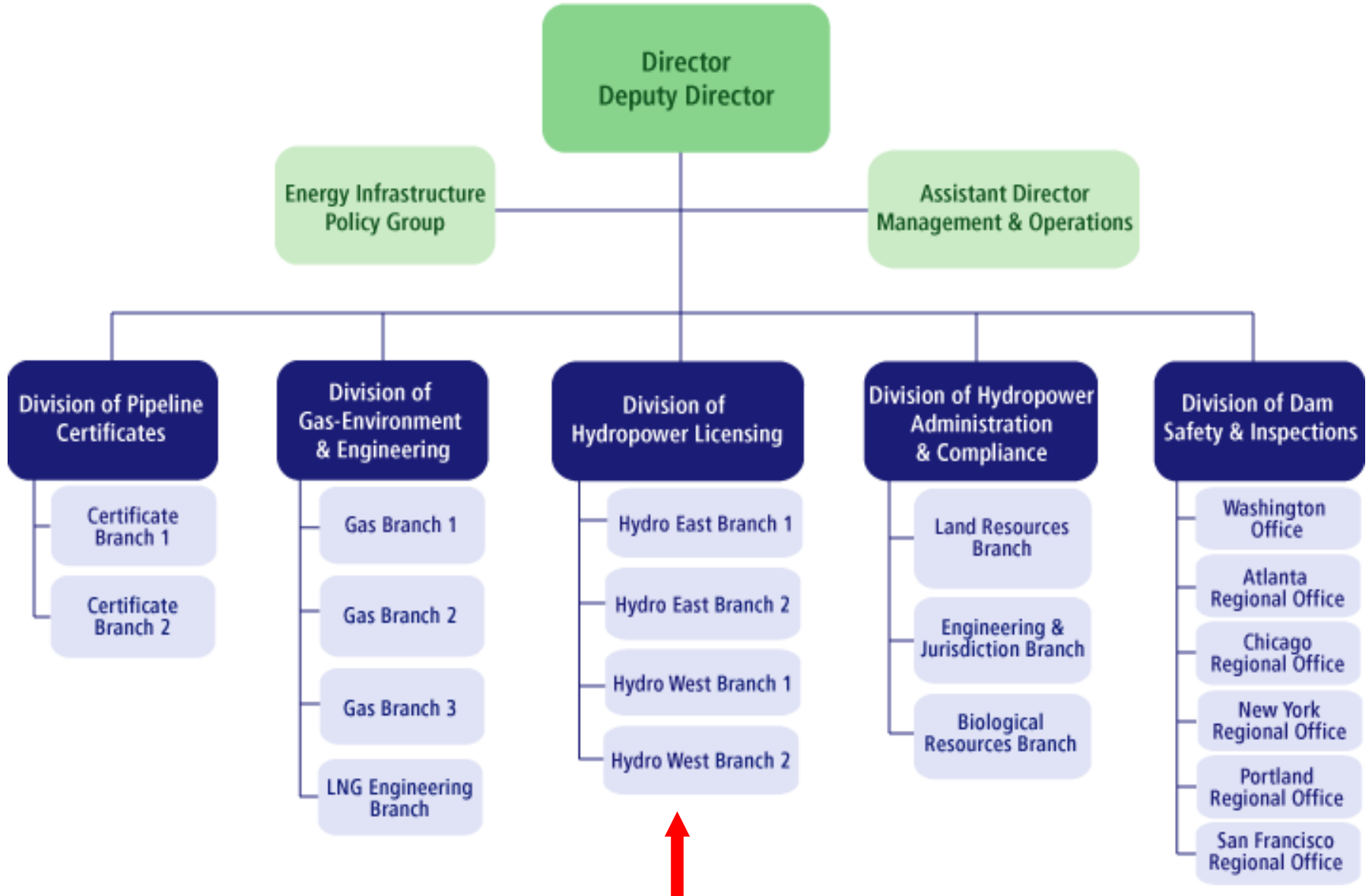
Federal Energy Regulatory Commission



What's Going On in Hydropower Licensing?

Northwest Hydroelectric Association
February 2006

Office of Energy Projects (OEP)



FERC's Strategic Plan

Key Licensing Objectives



- Expedite development of robust energy infrastructure
- Address landowner and environmental concerns fairly
- Incorporate reasonable environmental conditions into licenses

Challenges and Solutions



- Shared authority under the FPA and other laws (EPAAct 2005 effect?)
- Time-consuming and costly relicensing process (ILP effect?)
- Many participants with competing interests for use of resources

Licensing Workload



- 27 licenses issued 2005 (24 relicenses; 3 original)
 - Tapoco – 365 MW
 - Middle Chattahoochee – 129 MW
 - Pelton Round Butte- 367 MW
- 85 applications pending (65 relicenses; 11 original; 6 <5MW exemptions)
 - Coosa/Warrior – 1,172 MW
 - Robert Moses/Niagara – 2,755 MW
 - Rocky Reach – 1,237 MW
 - Lake Elsinore P.S. – 500 MW

Northwest and CA Projects with Licenses Expiring 2006-2015



State	No. of Projects	Total Capacity (MW)
Alaska	3	24
California	23	3,452
Idaho	4	162
Montana	3	18
Nevada	0	0
Oregon	4	418
Wyoming	0	0
Washington	11	3,926

Hot Licensing Topics



- ILP
 - Use of TLP/ALP
 - Effectiveness study
 - 2006 outreach
- Energy Policy Act of 2005
- Settlements
- Ocean Energy Projects



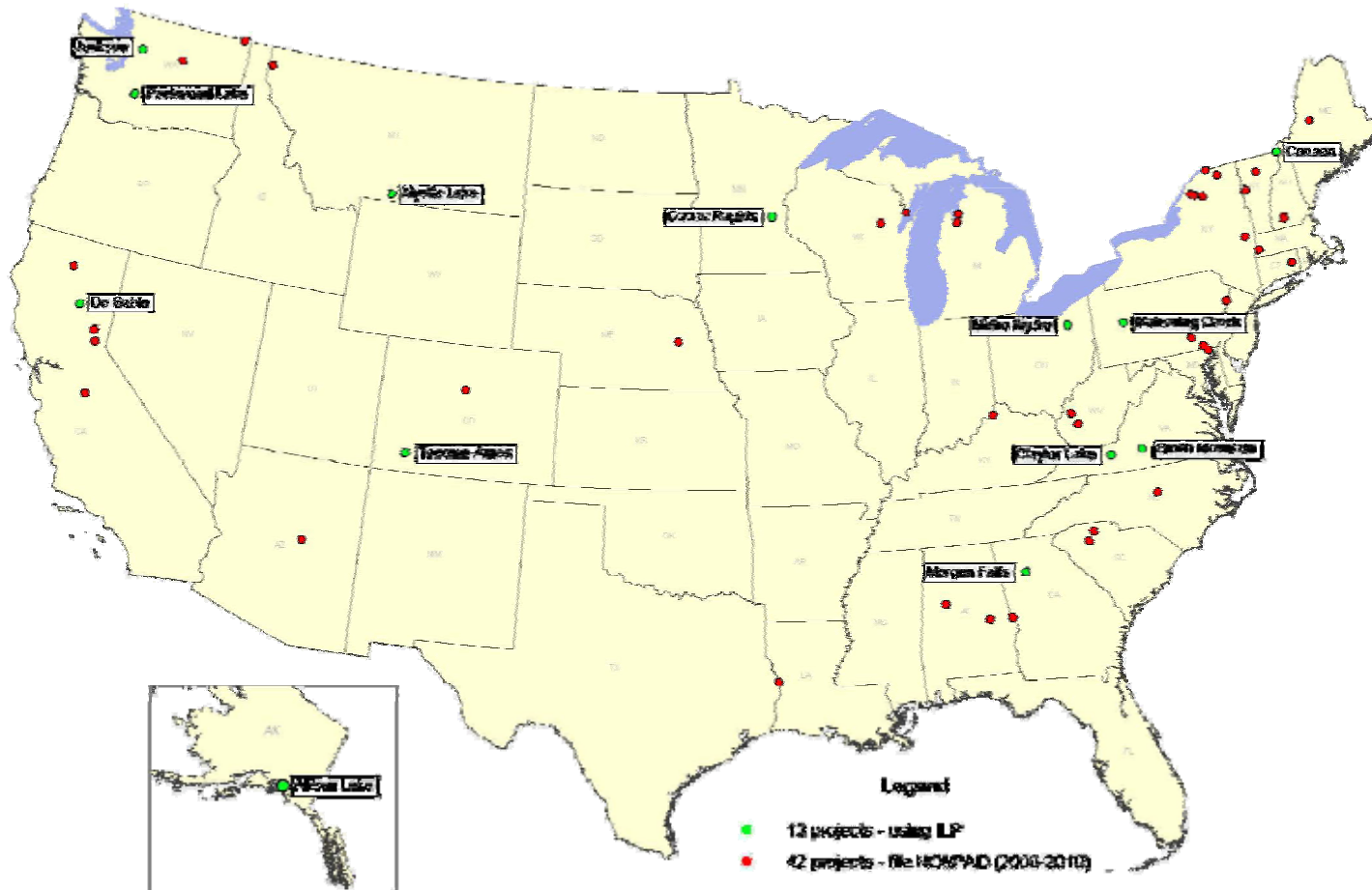
Licensing Processes

Integrated (ILP)-default

Traditional (TLP)

Alternative (ALP)

Projects Using The ILP 2004-2010



TLP/ALP APPROVAL

(post ILP default)



- TRADITIONAL LICENSING PROCESS:
 - Markland (P-2211)—IN; 80 MW; relicense [approved 12/1/05]
 - Minor Shoal Waterpower (P-12492)—GA; 1.3 MW; original license [approved 12/23/05]
- ALTERNATIVE LICENSING PROCESS:
 - Gibson Dam (P-12478)—MT; 10 MW; original license [approval pending]

Requests to Use the ALP



- Criteria for approval to use ALP is the same (18 CFR 4.34(i)(3)(i))
- File request with NOI and PAD
- Publish notice in newspaper
- Demonstrate consensus exists that use of ALP is appropriate under the circumstances and provide communications protocol

Requests to Use the TLP



- Criteria for approval of use of TLP are new (18 CFR 5.3(2))
- File request with NOI and PAD
- Publish notice in newspaper
- Include justification and any written comments received and applicant's response thereto

Criteria for Requests to Use the TLP



- Likelihood of timely license issuance
- Complexity of resource issues
- Level of anticipated controversy
- Relative costs of the TLP vs. ILP
- Amount of available info and potential for significant study disputes
- Other pertinent factors

ILP Effectiveness Study and 2006 Outreach



- Effectiveness Study
 - Ideas for Implementing and Participating in the ILP (Feb 2006)
 - Summaries of workshops and teleconferences
- Project-specific outreach 2006

Energy Policy Act of 2005

Section 241 of Subtitle C, Title II



- Provides for trial-type hearing
- Allows licensees and others to propose alternative conditions and fishway prescriptions
- Secretaries of Interior and Commerce must give equal consideration to power and other developmental values as well as environmental quality

Energy Policy Act of 2005

Section 241 of Subtitle C, Title II



- Transition Projects
 - 11 requests for hearing
 - 16 alternative conditions or prescriptions
- Working with agencies on schedules
 - 2/15/06 alternative schedules
 - 3/17/06 hearing schedules



Settlements

- Commission encourages settlements
 - Local solutions
 - Quicker licensing, on-the-ground benefits
- 8 of 27 recently issued orders included settlements



Settlements

1. Identify project effects
2. Develop mitigation and appropriate enhancements
3. Then discuss settlement provisions based on record from 1 and 2
4. Settlements must have record support and be consistent with licensing standard (comp dev)

New Development

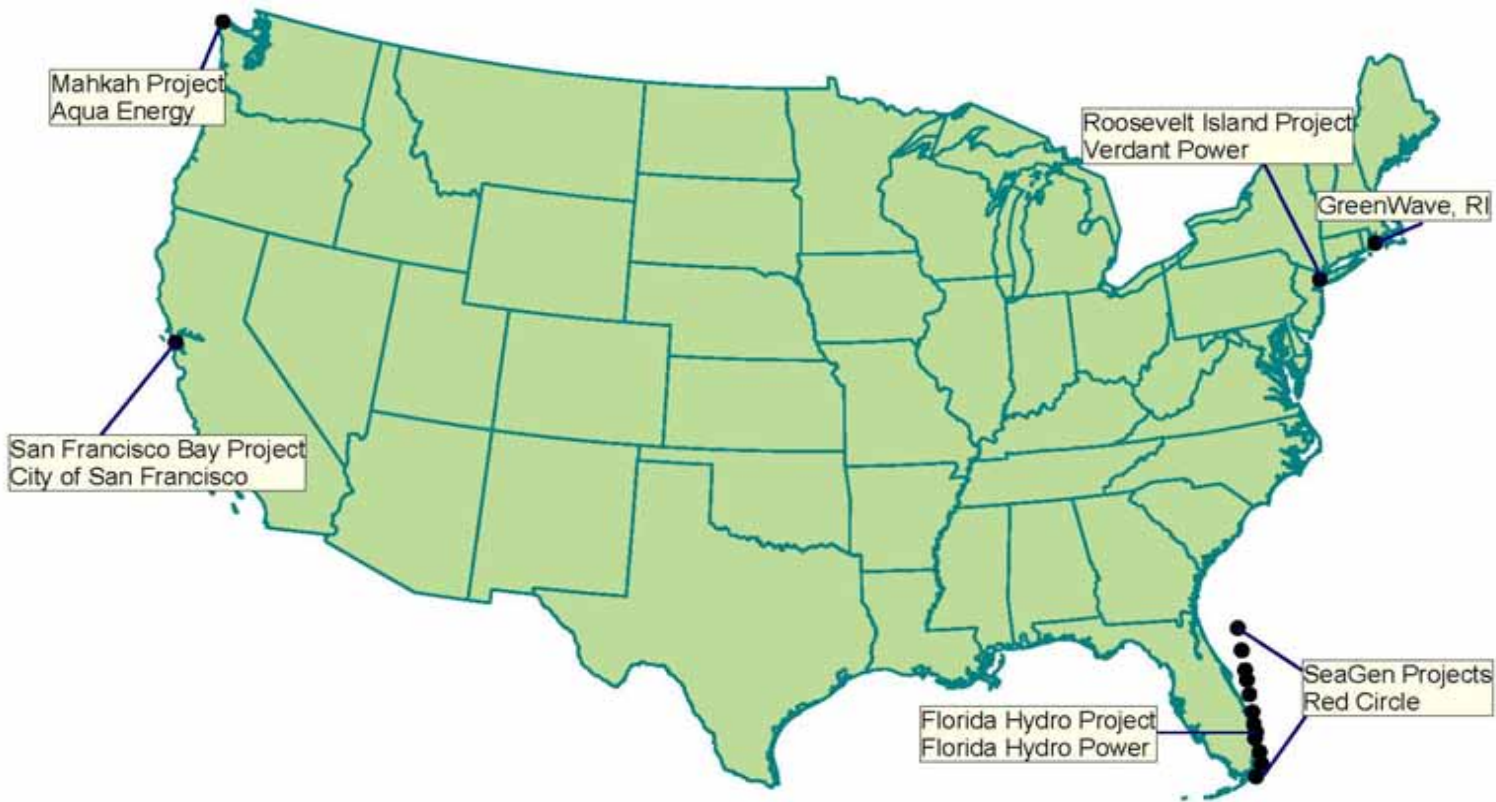


- Seeing more interest (conventional, ocean energy)
- Thoughts
 - Effects of ILP and EPL Act
 - Choose sites wisely
 - Waive regulations in appropriate cases
 - Use of Roosevelt Island Tidal Energy P-12178 (Verdant) criteria for testing new technology

Verdant's Roosevelt Island Project (P-12178)



Location of Marine Projects in U.S.



Ocean Energy Projects



- Jurisdiction
 - Makah Bay, WA - 02/2003
 - Florida Hydro Projects -06/2004
 - Roosevelt Island Tidal, NY - 05/2005
 - Green Wave, RI - 10/2005
- Projects on outer continental shelf
 - Working with MMS

QUESTIONS

