



Financial Incentives for Small Hydro Projects



Key Themes / Take Home Messages

- Economic climate driving national and state austerity measures
- Fewer funding sources
- Continued uncertainty







Federal Incentives



What is available

- Federal Incentives
 - Biz Energy Investment Tax Credit (ITC)
 - Section 1603 Grant (through 12/31/11)
 - Production Tax Credit (PTC)
 - USDA Grants and Loan Guarantees
 - US Dept of Energy
 - Bureau of Reclamation - WaterSMART



What is available - Federal

- For Hydro projects >150kW placed in service by December 31, 2013
 - ITC
 - 30% of depreciable capital costs
 - Reduces depreciable basis by 15%
 - PTC
 - \$11/MWh for first 10 years
 - Value escalates with inflation

You can only pick **one**...



What's changing

- Going, going:
 - ITC / Section 1603 Grants
- Facilities have to be placed in service or 'under construction' by December 31, 2011 to qualify.
 - Stoel Rives has guidance about this:
<http://www.stoel.com/showalert.aspx?Show=7012>



What is available - Federal

- USDA REAP (Rural Energy for America Program)
 - Apply any time. Next funding window ~late spring 2012
 - Loan Guarantees: up to \$25 million
 - Feasibility grants: 25% of study costs up to \$50,000
 - Project grants: 25% of project cost up to \$500,000...but...



What's changed

- REAP project grants now favoring smaller projects:
 - Grants less than \$20,000 more likely to be awarded



What is available - Federal

- US DOE Wind & Water Power Program
 - Sporadic, competitive funding opportunities for Advanced Hydropower Development and Deployment
 - Typically not for “commercial” technology
 - ~\$2 million awarded for Oregon projects in September
 - <http://www1.eere.energy.gov/financing/index.html>



What is available - Federal

- Bureau of Reclamation – WaterSMART
 - For irrigation and water districts, Tribes, States and other entities with water or power delivery authority.
 - Competitive, 50% cost-share funding
 - Sporadic funding announcements
 - Sign up for notification: <http://www.usbr.gov/WaterSMART/watersmartgrants.html>



What is available - Federal

- One other thing worth noting
 - New Market Tax Credits (NMTC)
 - Complicated
 - Requires private ownership
 - Minimum project cost ~\$8 million
 - Sited in low-income community
 - Must deliver substantial community benefits

State Incentives



What is available

- State Incentives/Programs
 - Oregon Watershed Enhancement Board
 - Grants for stream restoration
 - Dept. of Energy
 - State Energy Loan Program (SELP)
 - Energy Incentives
 - HB 3672, rulemaking,
 - Program can be funded up to \$1.5MM annually
 - Awards limited to \$250,000



What's changed

- Gone:
 - OR's Renewable Energy Feasibility Fund
 - OR's Business Energy Tax Credit (BETC)



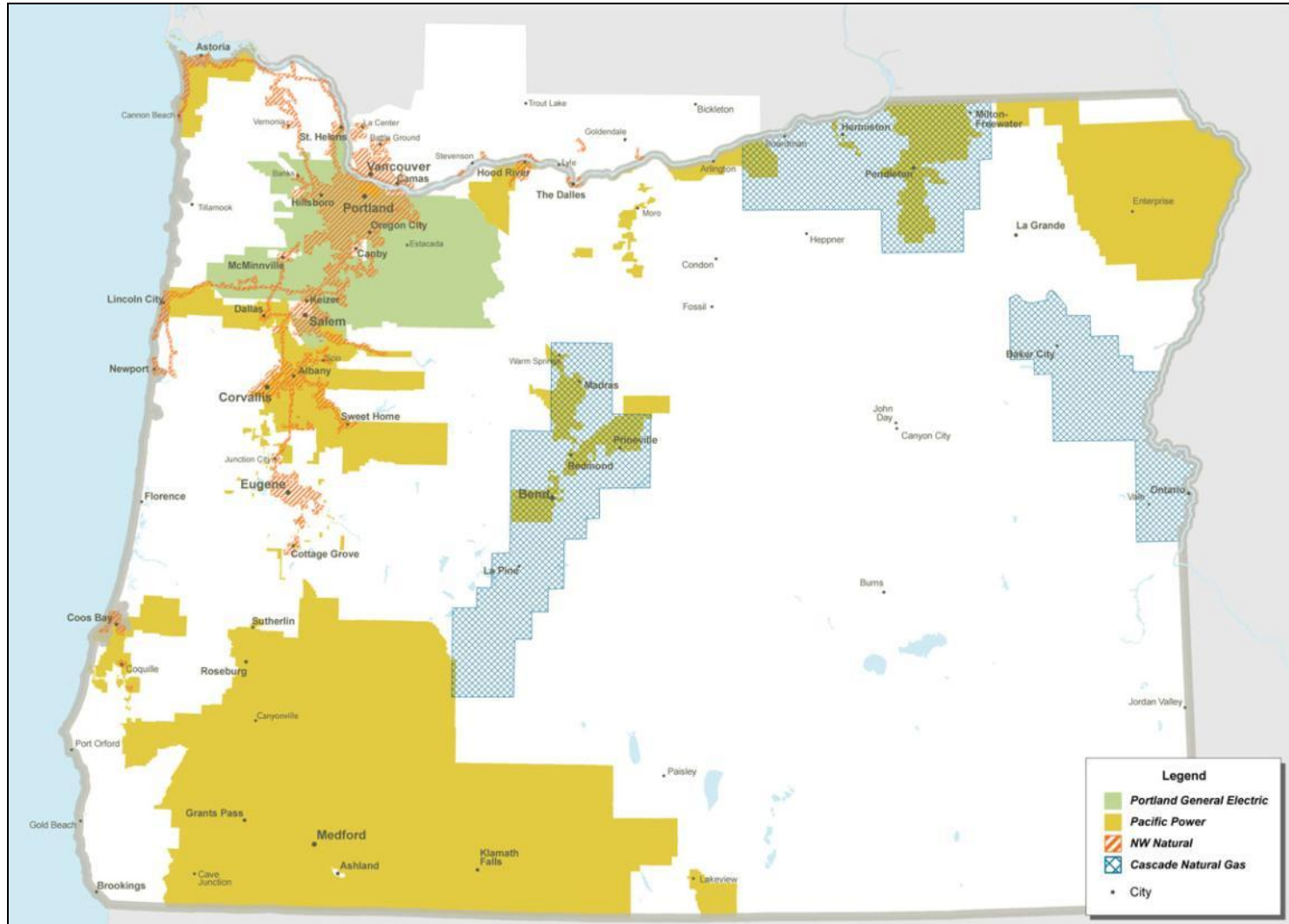
What's changed

- On hiatus:
 - Oregon's Community Renewable Energy Feasibility Fund (CREFF)
 - Program fully subscribed. Funds have to come back before they can go back out...

Energy Trust & Other Organizations



Energy Trust service territory





Energy Trust Incentives

- Project development assistance
 - Grant writing, feasibility, design, interconnection, permitting, etc.
 - 50% cost share up to \$40,000
 - Paid as reimbursement



Energy Trust Incentives

- Project Incentives
 - Based on “Above Market Costs”
 - Energy Trust takes % of project’s Renewable Energy Certificates



Other Sources of Grant Funding

- Bonneville Environmental Foundation
 - Feasibility and project assistance for projects connecting to public power
- PacifiCorp Blue Sky Grants
- Private foundations (Meyer Memorial Trust, etc)

Guidebooks & Case Studies

SMALL HYDROELECTRIC PERMITTING HANDBOOK

FEDERAL PERMITTING PROCESSES



INTERCONNECTION GUIDEBOOK

FOR DEVELOPERS OF SMALL SCALE
RENEWABLE ENERGY GENERATION SYSTEMS

Go to: <http://energytrust.org/hydro>

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Hydroelectric Power

If your property features flowing water across a drop in elevation, you may have the capacity to generate hydropower—clean renewable electricity produced when moving water turns a turbine that spins a generator. While it's rare for commercial sites to have adequate resources—and the state and federal permitting processes are complex and lengthy—hydroelectric projects have been successfully installed in a variety of locations in Oregon.

We're here to assist with your hydroelectric project and answer any questions you may have. Call us at 503.445.7611 or contact [Jed Jorgensen](#).

[Details](#) [Eligibility](#) [Steps](#) [Forms](#) **Resources**

Learn more about the basics of hydropower

Not sure if you have enough head (pressure) and flow (moving water) to generate hydroelectricity? Unsure what those terms mean? Take a few minutes to learn the basics of hydropower.

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Thanks, and good luck!

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