Reinvigorating Hydropower: April 2019 National Hydropower Association Report

Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

05/09/2019

The National Hydropower Association ("NHA") prepared and issued a report titled:

Reinvigorating Hydropower – A Cornerstone of Our Clean, Affordable, Reliable Electric Future ("Report")

The Chelan County Public Utility District also participated in the preparation of the *Report*.

The *Report,* by way of introduction, states that hydropower:

. . . is a premier renewable resource. For over a hundred years, our nation's hydropower projects have helped optimize river systems to accomplish multiple objectives and provide inexpensive power. These hydropower projects were the catalyst for businesses to succeed and communities to grow. They control floods, manage droughts, supply water, irrigate crops, support fish species and natural resources and create recreational opportunities. Today, they play an increasingly critical role in the modern electric system as our nation pursues a low-carbon, affordable, reliable and resilient grid.

The *Report* supposes that "A new look" at hydropower in the public policy arena can unleash the capabilities of this technology for the next 30 years.

Data or information notable in the *Report* includes:

- 101 gigawatts of installed hydropower capacity exists in the United States
- Renewable hydropower "labors under regulatory policy designed for the past and market rules written to support other fuel types"
- By 2032 approximately 325 hydropower project licenses (representing 16 gigawatts of capacity will expire)
- Substantial refurbishment investments are needed to maintain existing capabilities due to the demands of the new grid
- The hydropower industry receives little public policy encouragement for investments to co-optimize generation, recreation, flood control, and fish protection
- Hydropower can be a strategic partner with wind and solar in achieving environmental outcomes in grid optimization

The *Report* contends that the retention and expansion of our nation's hydropower assets require policymakers to:

- Design markets that value hydropower grid services;
- Choose technology neutral policies that achieve societal goals for carbon reduction and levelize incentives;

- Allow reinvestment in existing hydropower to meet “additionality” criteria;
- Improve the hydropower licensing process;
- Expand federal and state R&D for hydropower and support the industry’s digital transformation;
- Improve contracting and quality control practices to encourage long-term investments

Attributes of hydropower are stated to include:

- Firm Capacity
- Annual Energy
- Regulation and Frequency Response
- Spinning Reserves
- Non-Spinning Reserves
- Flexible Capacity
- Long-Term Storage
- Inertia
- Black Start
- Carbon Free

The *Report* advocates:

- Design markets that value hydropower grid services
- Choose technology neutral policies that achieve societal goals for carbon reduction and levelized incentives
- Allow reinvestment in existing hydropower to meet additionality criteria
- Improve the hydropower licensing process
- Expand federal and state R&D for hydropower and support the industry’s digital transformation
- Improve contracting and quality control practices to encourage long-term investment

A copy of the report can be found here.