

**Congress of the United States**  
**Washington, DC 20515**

April 19, 2013

The Honorable Rodney Frelinghuysen  
Chairman  
Subcommittee on Energy and Water  
Development  
House Committee on Appropriations  
2362-B Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Marcy Kaptur  
Ranking Member  
Subcommittee on Energy and Water  
Development  
House Committee on Appropriations  
1016 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Frelinghuysen and Ranking Member Kaptur,

Since August 2005, federal law (42 USC 15881; Section 242 of the Energy Policy Act of 2005; Public Law No. 109-58) has directed the Secretary of Energy to make incentive payments to owners/operators of hydroelectric facilities added to existing dams or conduits. The statute was enacted to support the efforts of non-federal entities to take advantage of the more than 80,000 dams and conduits that produce no power at all. According to a 2012 report prepared for the Department of Energy,

*“Importantly, many of the monetary costs and environmental impacts of dam construction have already been incurred at [non-powered dams (NPDs)], so adding power to the existing dam structure can often be achieved at lower cost, with less risk, and in a shorter timeframe than development requiring new dam construction. The abundance, cost, and environmental favorability of NPDs, combined with the reliability and predictability of hydropower, make these dams a highly attractive source for expanding the nation’s renewable energy supply.”<sup>1</sup>*

An Oak Ridge National Laboratory survey identified the potential for more than eight gigawatts of power from the 100 largest non-powered dams throughout America; three gigawatts alone could be generated from just the 10 largest dams. Adding power production capability to existing non-powered dams would also benefit states seeking additional electricity generated from renewable sources. For example, California’s renewable portfolio standard will require 20 percent of all electricity to be generated by renewable sources by the end of calendar year 2013. By 2016, it will rise to 25 percent and to 33 percent by 2020. California currently imports between 15 and 30 percent of electricity consumed statewide.

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<sup>1</sup> Oak Ridge National Laboratory. (April 2012). An Assessment of Energy Potential at Non-Powered Dams in the United States. U.S. Department of Energy, Energy Efficiency & Renewable Energy, Wind & Water Power Program. Oak Ridge, Tennessee.

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Small hydro projects will help California and other states to meet their growing state renewable portfolio standards.

The Congress has expressed interest in adding power to non-powered dams in the past. In fiscal year 2010, the House Committee directed the Department of Energy “to conduct an assessment of existing conventional U.S. hydropower and to identify opportunities to increase power generation at these sites...” The resulting report, excerpted above, clearly identifies the low-cost, low-risk opportunity to maximize the return on previous investment in existing assets.

Through fiscal year 2012, Congress had not designated any funding for Section 242 of the Energy Policy Act of 2005 or instructed the Department to implement the program. The reason is in large part because no known qualifying hydroelectric facilities had been completed until the end of calendar year 2011. Now, however, several eligible hydroelectric projects have come online or are nearing completion and are expected to apply to the Department for Section 242 funds.

In order to ensure that the Department complies with the intent of Congress and has the necessary resources to do so, we respectfully request that the Committee direct the Department to carry out the purposes of Section 242 of the Energy Policy Act of 2005, as instructed by Congress more than seven year ago. Specifically, we request that the following language be added to the Energy and Water Development Appropriations report for fiscal year 2014:

*“Within available funding for conventional hydropower, the Committee directs the Department to provide not more than \$3,600,000 for the purposes of Section 242 of the Energy Policy Act of 2005 (42 USC 15881).”*

Please note, we are not requesting additional funding for the Department of Energy, nor are we asking the Committee to shift its priorities between hydrokinetic and conventional hydropower. We are simply requesting that the Department use a small portion of the funding provided for conventional hydropower to carry out a congressionally mandated program. A funding level of \$3.6 million for the already-authorized Section 242 program would allow for more than 150 gigawatt hours of new, clean, renewable electricity available throughout the nation. And, it would do so without any new laws or additional federal expenditure. We understand that \$3.6 million may not be sufficient funding to support all eligible projects in fiscal year 2014. In that case, the Department will need to prioritize the allotment of funds, as it does with all other programs that the Congress is not able to fully fund.

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The most complicated and subject-to-delay phase of standing up a new hydroelectric power plant is building the dams or conduits. In this case, the hard work has already been done. Now, we just need the Department of Energy to carry out the purposes of Section 242 of the Energy Policy Act of 2005 to support the efforts of non-federal entities seeking to augment our national electricity supply.

Sincerely,