

**SUMMARY OF THE TESTIMONY OF JAMES H. HANCOCK, JR.  
ON BEHALF OF  
THE NATIONAL HYDROPOWER ASSOCIATION  
BEFORE THE  
SUBCOMMITTEE ON ENERGY & AIR QUALITY  
U.S. HOUSE OF REPRESENTATIVES  
FEBRUARY 16, 2005**

- NHA encourages Congress to adopt this year the hydropower provisions of the *Energy Policy Act of 2005*. Specifically, NHA strongly supports the hydropower licensing reform provisions of the bill. NHA offers minor changes to language in the bill not related to licensing reform and hopes the Committee will adopt its recommended changes.
- Hydropower is one of the nation's most valuable resources – it accounts for approximately seven percent of the nation's electricity in terms of actual generation and about nine percent in terms of generating capacity. Hydropower is the nation's largest renewable resource.
- Hydropower is low-cost, domestic, renewable, and emits no air pollution. Hydropower also plays a major role reducing carbon emissions, provides vast recreational opportunities, and improves electric grid reliability. It can also provide substantial water supply, flood control and navigation benefits. Hydropower possesses attributes unmatched by any other source of energy and provides numerous benefits every day to millions of Americans.
- Hydropower faces significant impediments that jeopardize its ability to play an important role in our nation's energy strategies. Congress must address the following issues, which are all included in the *Energy Policy Act of 2005*: hydropower licensing reform, incentives for new hydropower development at existing projects and non-hydro dams (Section 45 production tax credits, for example), and support for DOE's hydropower R&D program.
- The *Energy Policy Act of 2005* would provide the balance, transparency and accountability that is missing from today's hydropower licensing process while leaving intact the existing authorities of the federal resource agencies. It would also preserve the current role of states, Tribes, environmental groups and other stakeholders who play an important and active role in the licensing process. And, the bill preserves the existing environmental threshold required by the Federal Power Act.
- Over half of the nation's hydropower capacity – 296 projects in 44 states with a total capacity of over 30,000 MWs – must receive a new operating license from FERC by the year 2018. Many of those projects have already or will soon begin the licensing process. The time is running out for these projects to benefit from meaningful reforms to the licensing process. The time for licensing reform is now.
- Incentives for new hydropower development are needed. The Department of Energy estimates that 21,000 MW of hydropower potential today sits unused at existing dams. Of that amount, 4,300 MW could be developed at existing hydropower facilities with proper incentives. Incentives work, and they are needed again for hydropower.
- Congress must restore funding and keep intact the Department of Energy's hydropower R&D program, which primarily focuses on new technologies designed to lessen the impacts of hydropower dams on fish while at the same time increasing power production.