



Hydroelectric Incentives Program Update: *Dollars are Flowing! Putting Financial Incentives from Federal Legislation and Appropriations to Work*

Waterpower Week in Washington

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Hydroelectric Incentives Program Overview

- ▶ Administered by the Department of Energy's Grid Deployment Office
- ▶ Incentivizes expansion of hydroelectric power generating capabilities and investment in capital improvements related to efficiency, grid resiliency, dam safety, and environmental conditions.
- ▶ Bipartisan Infrastructure Law (BIL) provided over **\$750M** to three incentives
 - **Hydroelectric Production Incentives** (BIL provision 40331 and EPAAct 2005 Section 242) (**\$125M**)
 - **Hydroelectric Efficiency Improvement Incentives** (BIL provision 40332 and EPAAct 2005 Section 243) (**\$75M**)
 - **Maintaining & Enhancing Hydroelectricity Incentives** (BIL provision 40333 and EPAAct 2005 Section 247) (**\$553.6M**)



Hydroelectric Production Incentives (EPAct 2005 Section 242)

Funds qualified hydroelectric facilities

- ▶ Payments for electricity generated and sold from dams and other water infrastructure that add or expand hydroelectric power generating capabilities, or are constructed in an area with inadequate electric service if generating capacity is not more than 20 megawatts and FERC construction authorization has been received.
- ▶ BIL provided **\$125M** to remain available until expended
 - **\$84M** remaining at this time
- ▶ Not more than **\$1M** to any facility in any calendar year
- ▶ Now **accepting applications** for electricity generated and sold in **CY23**
 - Submit applications for electricity generated and sold in **CY23** by 5:00 p.m. ET, **April 23, 2024**, through the Clean Energy Infrastructure Funding Opportunity Exchange



Hydroelectric Efficiency Improvement Incentives (EPAAct 2005 Section 243)

Funds qualified hydroelectric facilities

- ▶ Capital improvements at existing facilities that are directly related to improving efficiency by at least **3%**
- ▶ Incentive payments under this section shall not exceed **30%** of the costs of the applicable capital improvement
- ▶ Not more than **\$5M** to any facility in any fiscal year
- ▶ Announced selections **February 2, 2024**
 - Project metric and milestone negotiations underway with expected duration of 2 to 3 months
- ▶ GDO received significant interest in this incentive, the announced selections represent total funding made available for this incentive under BIL



Hydroelectric Efficiency Improvement Incentives (EPA Act 2005 Section 243)




Selections Highlights

- ▶ **46** hydroelectric facilities selected for payments
 - **17** Small projects (37% of selectees)
 - **29** Large projects (63% of selectees)
- ▶ Nearly **\$71.5 million** in total incentive payments
 - Average incentive payment: **\$1.6 million**
 - Incentive requests ranged from **\$49,571 to \$5 million**
- ▶ Approximately **\$468 million** in total public and private investment
 - Average total public and private project investment: **\$10.2 million**
- ▶ Average efficiency improvement rate of **14%**



Maintaining & Enhancing Hydroelectricity Incentives (EPA Act 2005 Section 247)

Funds qualified hydroelectric facilities

- ▶ BIL provided **\$553.6M** to remain available until expended
 -  Grid Resiliency
 -  Dam Safety
 -  Environmental Improvements
- ▶ Incentive payments shall not exceed **30%** of the costs of the applicable capital improvement
- ▶ Not more than **\$5M** to any facility
- ▶ Applications currently in review, expected selections announcement in late spring

Thank you

