



PROTECT 2.6 GW OF CLEAN, BASELOAD ENERGY EXTEND THE FERC HYDROPOWER START-OF-CONSTRUCTION DEADLINE BY 4 YEARS

BACKGROUND

- Hydropower is vital to the U.S. energy portfolio, supplying power to **30 million homes and businesses**.
- Conventional hydropower contributes over **30% of total U.S. renewable power generation**, and pumped storage hydropower provides **96% of U.S. utility scale energy storage**.
- Hydropower provides essential community benefits, such as flood control, water storage, and irrigation. It also provides grid reliability services, including **40% of the nation's "black start" capacity** for power grid restoration following a major disruption.

CHALLENGE: 38 FERC-LICENSED, UNBUILT HYDRO PROJECTS IN 16 STATES ARE AT RISK OF MISSING THE START-OF-CONSTRUCTION DEADLINE

- **Hydropower Projects Face Extended Timelines and Significant Costs:** Hydropower is the only clean energy technology requiring a FERC license. The licensing process for a hydropower project takes on average between **5 - 8 years**, and in many cases longer, and can cost **millions of dollars**.
- **Advanced Project Development is Contingent on License Issuance:** Hydropower projects can take years to move to construction. Following licensing, essential tasks such as finalizing engineering, hiring EPCs, signing labor agreements, establishing offtake agreements, navigating interconnection queues, and securing project finance must be completed before construction can even begin.
- **What if a Hydro Project Misses the Start-of-Construction Deadline?** Failure to meet the start-of-construction deadline for a hydro project results in FERC rescinding licenses, leading to project termination and the loss of years of work and significant financial investments. Congress previously recognized these challenges in the *America's Water Infrastructure Act of 2018*, which extended the start-of-construction deadline to 10 years -- **but it doesn't go far enough**.
- **COVID & Interconnection Threaten 2.6 GW of Clean Energy:** The unprecedented disruptions experienced between 2020 and 2022, including the impacts of COVID-19, supply chain disruptions, inflation, and interconnection queue delays, have pushed many FERC-licensed hydropower projects to the brink of their deadlines. In fact, there are **38 FERC-licensed, unbuilt projects** in 16 states totaling more than 2.6 GW of clean, baseload power that are at risk of missing the start-of-construction deadline. **The earliest deadlines are in April of 2024.**

SOLUTION: S. 3373 - EXTEND THE START-OF-CONSTRUCTION DEADLINE FOR EXISTING FERC-LICENSED HYDRO PROJECTS BY 4 YEARS

Congress Should Support S. 3373. This Bipartisan Legislation Will:

- Offer the FERC authority to extend the start-of-construction deadline, upon request and at the Commission's discretion, by **4 years** for hydropower projects that have completed NEPA and state-level environmental reviews, were licensed before the pandemic, and have been adversely affected by the challenges posed by the pandemic and interconnection queue delays.
- **Safeguard the years of effort and millions of dollars** invested in these projects from termination, as well as **protect 2.6 GW** of flexible, reliable, renewable energy.
- Allow FERC to assess each project individually. If deemed unworthy of an extension, FERC is not compelled to grant one.