



DOE Draft Guidance Public Webinar: Maintaining & Enhancing Hydroelectricity Incentives under EPC Act 2005 Section 247

February 16, 2023



DOE Public Webinar Agenda

Maintaining & Enhancing Hydroelectricity Incentives under EAct 2005 Section 247

- ▶ Introduction: Luciana Ciocci, Stakeholder Engagement
- ▶ Opening Remarks: Maria Robinson, Director, Grid Deployment Office
- ▶ Overview: Tim Welch, Hydroelectric Incentives Program Manager
- ▶ Public Feedback: Luciana Ciocci
- ▶ Next Steps & Closing Remarks: Tim Welch



Maintaining & Enhancing Hydroelectricity Incentives Program (EPAct 2005 Section 247)

Funds capital improvements at qualified facilities

Qualifying facilities

- ▶ Federal Energy Regulatory Commission (FERC)
licensed and placed in service before enactment of
this section or pursuant to a permit or valid existing
right-of-way granted prior to June 10, 1920.



Maintaining & Enhancing Hydroelectricity Incentives Program (EPAct 2005 Section 247)

Funding

- ▶ **\$553,600,000** to remain available until expended
- ▶ Incentive payments under this section shall not exceed **30%** of the costs of the applicable capital improvement
- ▶ Not more than **\$5,000,000** to any facility in any fiscal year



Maintaining & Enhancing Hydroelectricity Incentives Program (EPAct 2005 Section 247)

Receive support to enhance existing facilities in
three main areas:



► **Grid Resiliency**



► **Dam Safety**



► **Environmental Improvements**



Improving Grid Resiliency



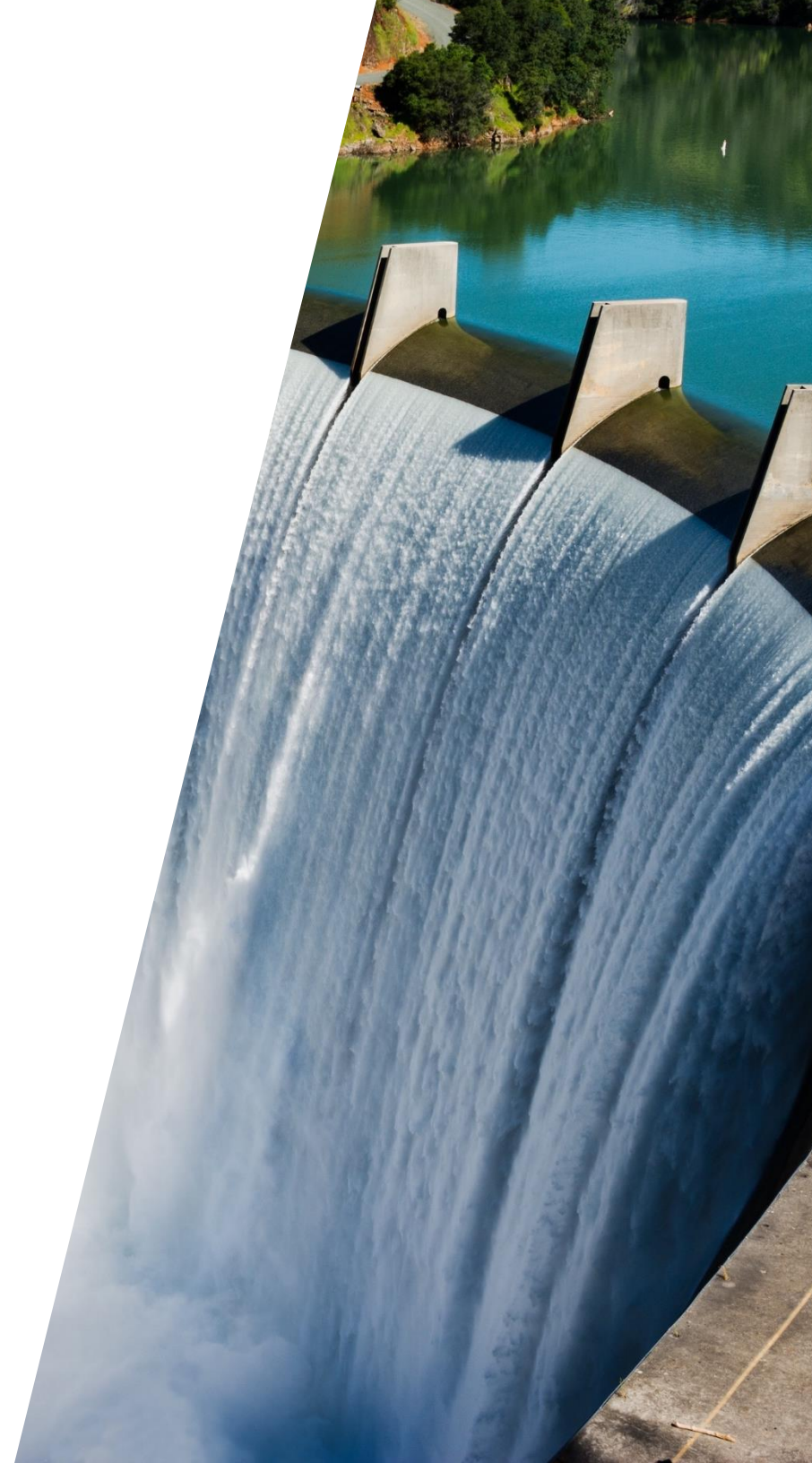
- ▶ Adapting more quickly to changing grid conditions.
- ▶ Providing ancillary services.
- ▶ Integrating other variable sources of electricity generation.
- ▶ Managing accumulated reservoir sediments.



Improving Dam Safety



- ▶ Maintenance/upgrade of spillways or other appurtenant structures.
- ▶ Dam stability improvements, including erosion repair and enhanced seepage controls.
- ▶ Upgrades/replacements of floodgates or natural infrastructure restoration.



Environmental Improvements



- ▶ Adding or improving fish passage.
- ▶ Improving water quality.
- ▶ Promoting downstream sediment transport processes and habitat maintenance.
- ▶ Improving recreational access.



Draft Guidance

The Draft Guidance consists of fourteen sections.

- I. Purpose and Scope
- II. Authority
- III. List of Definitions
- IV. Who May Apply?
- V. What is a Qualified Hydroelectric Facility?
- VI. How will the Program allocate funding for eligible capital improvement projects?
- VII. At what stage in the development process would a capital improvement project be eligible to apply for an incentive payment?
- VIII. What are the General Application Requirements?

Draft guidance reflects stakeholder feedback received on the Request for Information (RFI) released by DOE on June 30, 2022.

- IX. What types of capital improvement projects qualify for incentive payments and what information does DOE need to determine whether a project is eligible?
 - Grid Resiliency
 - Dam Safety
 - Environmental Improvements
- X. What is the timing of incentive payments?
- XI. What are the procedures for processing applications?
- XII. FAQ (this section will include questions that don't easily fit within the above categories)
- XIII. Funding Restrictions
- XIV. Administrative Appeals



Draft Guidance

While reviewers are welcome to provide comments on all aspects of the Draft Guidance, DOE is particularly interested in receiving comments on the following topics:

- 1) Oversubscription Scoring Criteria Rubric
- 2) Selection of Scored Applications
- 3) Allocation for Small Hydro Projects
- 4) Timing of Funds
- 5) Application Preparation



Mechanisms to Respond to the Draft Guidance Request for Comment

- ▶ Written and verbal responses are being accepted.
- ▶ The request period for a 30-minute verbal response with a DOE staff member closes today, February 16, 2023, at 5:00 pm ET.
- ▶ Written responses on the Draft Guidance must be submitted no later than 5:00 pm ET on Tuesday, February 28, 2023.
- ▶ Sign up for the Grid Deployment Office Newsletter to receive updates and be sure to select the Hydroelectric Incentives topic.



Listening Session Logistics

The goal of the session is to facilitate an exchange of information and facts, and to solicit and obtain your individual feedback regarding the Draft Guidance on the Maintaining & Enhancing Hydroelectricity Incentives under EPCA 2005 Section 247. To that end, it would be most helpful that you provide, based on your personal experience, your individual advice, information, or facts regarding this topic. It is not the objective of this session to obtain any group position or consensus. Rather, the Department of Energy is seeking as many recommendations as possible from all individuals at this meeting. To most effectively use our limited time, please refrain from passing judgment on another participant's recommendations or advice, and instead concentrate on your individual experiences.



Listening Session Logistics

- ▶ The webinar will be recorded and a transcript of the webinar will be made available on DOE's website.
- ▶ If you have technical issues, try calling into the webinar via phone.
- ▶ Attendees that pre-registered to make 2-minute statements will speak first within each topic, additional comments will then be taken in order of raised hands.
- ▶ If you'd like to provide feedback, please raise your hand using the Zoom function.
- ▶ DOE will review and consider all responses in its formulation of final guidance.



Public Feedback: Topic One

- ▶ It is our intent to fund all eligible capital improvement projects. However, in the **event the program is oversubscribed** (*i.e.*, more eligible applications than available funding), DOE proposes to use a scoring criteria rubric to prioritize which capital improvement applications are awarded funding.



Public Feedback: Topic Two

- ▶ It is our intent to fund all eligible capital improvement projects. However, in the **event the program is oversubscribed** (i.e., more eligible applications than available funding), DOE proposes to select the top scoring applications in each of the three capital improvement categories (i.e., improving grid resiliency, improving dam safety, and environmental improvements) for small projects and remaining eligible projects. **All three categories of capital improvements will be treated equally.**



DOE Draft Guidance Public Meeting: Maintaining & Enhancing Hydroelectricity
Incentives under EPA Act 2005 Section 247

5-minute Break



Public Feedback: Topic Three

- ▶ Recognizing that small hydropower facilities make up 75 percent of the nation's hydropower fleet, the DOE intends to **allocate up to 25 percent of the program funding to support capital improvements made at small hydropower projects** (nameplate capacity of 10 MW or less that is owned or operated by a small business, Indian tribe, municipality, or electric cooperative.)



Public Feedback: Topic Four

- ▶ To balance risk while incentivizing hydropower owners and operators to make qualified capital improvements, DOE is proposing to **provide a portion of the funding (up to 10 percent) up front and the remainder upon completion of the capital improvement(s).**



Public Feedback: Topic Five

- ▶ DOE estimates eight (8) hours of preparation time for the EPC Act 2005 Section 247 application.



DOE Draft Guidance Public Meeting: Maintaining & Enhancing Hydroelectricity
Incentives under EPC Act 2005 Section 247

5-minute Break



Public Feedback: General Comments

- ▶ We are now accepting general comments on the draft guidance.



Tentative Schedule - Section 247 Maintaining & Enhancing Hydroelectricity Incentives

* Dates are subject to change

Milestone	Date
Draft Guidance Public Comment Period	February 8, 2023 – February 28, 2023
Issue Guidance Final Guidance & Open Solicitation (Open 60 days)	May 2023 – July 2023
Issue Initial Payments	September – November 2023
Issue Final Payments	Upon Completion of Work

Thank you for your feedback!

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- ▶ Written responses on the Draft Guidance are due no later than 5:00 pm ET on February 28, 2023.
- ▶ Sign up for the Grid Deployment Office Newsletter to receive updates. Be sure to select the Hydroelectric Incentives topic.
- ▶ A transcript of today's webinar will be available on the Hydroelectric Incentives Program webpage.

