>>Luciana Ciocci: Good afternoon. Thank you for joining the DOE Selections public webinar for the Maintaining and Enhancing Hydroelectricity Incentive–EPAct 2005, Section 247. My name is Luciana Ciocci, and I am the external—senior external affairs advisor for the Hydroelectric Incentives Program, and I will be kicking off today's session.

We will get started with webinar logistics. The webinar is being recorded, and a transcript of the webinar will be made available on our website. If you have audio issues, please call into the webinar via the phone number included within your registration link. We will not be holding Q&A within this webinar, so please save your questions.

None of the information presented herein is legally binding. The content included in this presentation is intended for informational purposes only relating to the Maintaining and Enhancing Hydroelectricity Incentive–EPAct 2005, Section 247. The purpose of this webinar is to provide an overview of the Maintaining and Enhancing Hydroelectricity Incentive selections and key trends identified by our team. Any content within this presentation that appears discrepant from the guidance language is superseded by the guidance language, and all attendees are strongly encouraged to carefully read the relevant guidance document. A link can be found in the chat.

And we'll move on to the agenda for today. We have Maria Robinson here joining us. She is the director of the Grid Deployment Office, and she will be providing opening remarks. Shana Wiseman, Hydroelectric Incentives Program manager, will provide an overview of the [inaudible] and selections highlights. Madden Sciubba, senior project manager for the Maintaining and Enhancing Hydroelectricity Incentive, will provide selections, trends, and project highlights. And I will close out the webinar with next steps and closing remarks.

And I will now pass it over to Maria Robinson. Maria, thank you for joining us today.

>>Maria Robinson: Thank you so much, Luci. Good afternoon, good morning, depending on where you are. I'm Maria Robinson, director of the Grid Deployment Office here at the United States Department of Energy. Delighted to provide some opening remarks for today's webinar.

If you're joining us today, I'm sure you're quite aware that, on Sept. 5th, the Department of Energy and the Grid Deployment Office announced over $430 million in Maintaining and Enhancing Hydroelectricity Incentive payments for 293 improvement projects in 33 states across the country. These incredible investments will support the continued operation of the U.S. hydropower fleet to ensure a more reliable and resilient electric grid system. And this announcement represents the Department of Energy's largest investment in hydroelectric facilities to date. When combined with private-sector commitments, these incentives will help catalyze approximately $2.8 billion in total public and private investment for hydroelectric maintenance and enhancement improvements.

Hydroelectricity is, of course, one of the biggest suppliers of clean energy in the United States, representing nearly 30% of renewable energy generation to provide a reliable and flexible source of power. This funding is critical, and, of course, hydropower is key to the nation's clean energy future. But our existing hydroelectric fleet is aging. The average operational start date of these facilities selected for these incentives is 1945, with a few even dating back to the late 1800s. So, this funding will go a really long way to help protect and extend the life of one of our oldest and most important sources of carbon-free electricity, with some of these upgrades extending the life of these assets for decades to come.

These investments will strengthen grid resilience at hydropower dams to mitigate the impact of extreme weather on the electric grid. They'll improve dam safety by upgrading our aging dam infrastructure and strengthen existing infrastructure against extreme weather events as well. They will also facilitate environmental improvements that will improve water conditions, protect the surrounding habitat and passage for fish, other species, and upgrade recreational facilities near dams.

Many people think of the Bipartisan Infrastructure Law as a bill to support roads and bridges, but it also supports our critical energy infrastructure, like hydropower. This incentive provides remarkable opportunities for hydropower owners and operators to strengthen our infrastructure and for the American people to enjoy recreation created by or upgraded by these improvements while also accessing clean, reliable electricity.

We here at the Department received widespread interest in this program, demonstrating the incredible demand for these important upgrades to our existing fleet. And that's why we're so excited for this announcement to maintain and enhance our existing hydroelectric fleet.

I'm also really delighted to share that these investments will support thousands of industry jobs, create free apprenticeship programs, advance the present Justice40 Initiative—which is benefitting disadvantaged communities that are also marginalized by underinvestment and overburdened by pollution—and will support hundreds of minority business enterprises—minority-owned businesses, women-owned businesses, veteran-owned businesses—all of which are important initiatives to the Biden-Harris administration's Investing in America agenda and to the Department of Energy.

So, thank you again for joining us today, and I will turn it over to the amazing Shana Wiseman, who is the program manager for the Hydroelectric Incentives Program. Shana, over to you.

>>Shana Wiseman: Great, Maria. And thank you for those kind words. Maria is right: We are very, very excited about this program and excited about the announcement of all these awards.

So, for those of you who maybe missed the beginning and how we got here, I want to give a quick overview of the statute. So, BIL directed funds towards capital improvement

projects, as Maria said, that were meant to maintain or improve existing hydro projects related to grid resilience, dam safety, or environmental improvements. The pot was large. It's $553 million to be expended—to be spent on these projects until expended. So, that's a large pot of money that can hopefully fund a lot of projects.

The incentive payments are limited that they can only be applied to 30% of total project costs for the applicable improvement and not more than $5 million per facility in any fiscal year. So, there are some limitations—but not many when you consider the impact of these projects.

So, in order to be eligible for this incentive funding, a qualified hydro facility had to meet the following guidelines. In order to be qualified, you had to have a FERC license or a pre-1920 permit or right-of-way or a license pursuant to the Federal Power Act—so, basically, those really early licenses that existed before FERC was FERC. The facility also had to be placed into service before Nov. 15, 2021, and in compliance with all applicable federal, state, and Tribal requirements.

The bigger part of this—I'm sure you all saw or experienced—was the authorization piece. In order to qualify for this incentive funding, you had to have authorization for your project. Or, if you were a FERC project, you had to have had a final amendment application into FERC in order to be considered eligible.

Of course, another requirement was to submit a community benefits plan that met the application guidance requirements—and we saw a lot of good ones. So, those were the main eligibility requirements. But to go more in detail, if you want to see all of the details of these requirements, our application guidance can be found on the website.

So, how we got here. The window for the letters of intent closed June 22, 2023, and then full applications were due Oct. 6, 2023. Of course, in March, we sent out letters of eligibility, and now we're here making selections. We just announced the awards last Thursday, Sept. 5th, and we're excited to go to the next step, which is negotiations. So, I'm sure you're asking yourselves, "Why did it take so long?" I think the next slide will tell you.

We have 293 hydro improvement projects selected for negotiations. So, something pretty unique and great about this program: Everybody who was eligible—everyone who applied who had an eligible improvement project—got selected to go to negotiations. That means 293 projects not only were eligible but they get to go to the next step. That is massive. It's huge.

The projects were spread out between the three categories of grid resilience, dam safety, and environmental improvements, with the most being in dam safety. That was about 50% of the projects, with grid resilience about a third, and then environmental improvement projects, about 20%. So, that's how they shook out. Now, we have all of these projects posted on our website. There's a list of selectees and fun facts per region available on the selections web page.

So, what does this mean? This means that over $430 million in total incentive payments are headed for these projects and going into negotiations. That's a huge pot. On average—the average incentive payment was $1.47 million—so, about $1.5 million. But the incentive requests ranged anywhere from $7,200.00 to $5 million. We saw a lot of different projects—from simple gate replacements or replacements of parts to large spillway projects or seepage repair projects. It ranged from the little to the huge.

What this means, though, is approximately $2.8 billion are being invested in total public and private investment targeting existing hydro projects. On average, a total of $9.56 million is invested in public and private projects. So, this is a great thing for hydro. Not only is the government putting money towards these projects, but it's also initiating private investment to really maintain and enhance the fleet and to keep our grid at the same capacity for energy.

In terms of projects, we had about 20% of the selected projects that fell under the small category. So, that would be the 10-megawatt-or-less projects. That's just how it shook out. Because again, a reminder, every project that was eligible was selected. So, out of those selections, 56 were small. That's a total of $37 million in investment payments towards small projects. And again, they kind of were dispersed between the three categories. There was an even amount of grid, dam, and environmental improvements for the small projects. And then, of course, we had 80% of the selected projects that are large projects, and that's $393 million total investment payments towards those type of projects.

So, in terms of where these projects are located, they kind of shook out on both ends of the map. Of course, California and New York had the most projects, but they just happened to have more hydro in those states. But we had quite a few projects in New England. You can see in the Pacific Northwest, a lot in the mid-Atlantic or Southern regions. The Midwest just doesn't—and the plains don't have as many hydro projects, so we didn't see a lot there. But this is typical when you look at, in general, where hydro projects are based.

But now, I'm going to [inaudible] ahead and pass it to Madden Sciubba, and she can get into the trends we saw in the selected projects.

>>Madden Sciubba: Thanks, Shana. So, as Shana mentioned earlier, there was kind of a good spread across the three categories. And here, you can see a little bit more about some of the subcategories. The "Adapting more quickly to changing grid conditions" and "Adding or improving fish passage" were definitely the majority of projects within their categories. But as you can see with dam safety, a lot of maintenance and upgrades to spillways—but in general, a lot of projects all around improving dam safety. And similar to their numbers of the split, the incentive requests also sort of follow this pattern of the 30/50/20 split.

And so, then, for the regional breakdown—this will cover two slides. So, some similar patterns here, like Maria mentioned earlier. Some of these projects are quite old. They started—average start age is in the 1940s. And for these three regions—New England, the mid-Atlantic, and the Southeast—you do see a similar split of projects amongst the three categories. And I will also just say—the variation in funding in these categories isn't really based on anything specific other than "this is what was requested." Like Shana mentioned, every eligible project was selected for negotiation, so there's no sort of pattern really to the funding amounts.

So then, the next set of regions—you see a little bit more variation. So, in the Midwest specifically, the vast majority of projects were for dam safety, and that kind of makes sense given that they do tend to have an older year of operations starting. Similar in California—a ton of dam safety projects as well. And then, in the West, there's actually much more—many more projects in grid resiliency. And that's also part of the higher funding request total. A lot of those projects tended to be a lot more expensive.

And so, these are some general trends, but we also—of our 293, really great capital improvement projects. We wanted to select a couple at random just to give examples of the kind of work that people are doing.

So, first, for the grid resiliency category, the Pine Flat Hydroelectric Project on the Kings River in California—they're adding a new, small hydroelectric unit for a couple of reasons. It can be brought up to full speed within a minute, and that also makes it possible for it to be available for synchronizing to the grid as well as ramping up to that capacity and supporting grid frequency and voltage, especially when other renewable resources may not be available or just a boost is needed in general.

And then, for dam safety, York Haven Power Company in Pennsylvania is—or, sorry, not dam safety—environmental improvements. York Haven is adding a nature-like fishway to provide upstream fish passage for American shad. And that'll also support upstream passage for river herring and American eel as well. And in general, this will help establish more connectivity of the entire aquatic community above and below the facility.

And then—now, for dam safety, the city of Sturgis in Michigan is doing some improvements to address some dam safety concerns, such as water seepage, and then also improvements to the spillway and other structural upgrades to the dam. And a cool thing about this project as well is they're also constructing an ADA-compliant path to the St. Joseph River—kind of tying in recreation and accessibility. And we saw a lot of projects doing many great things.

So, like I said, just wanted to highlight some of the interesting work being done. And there's something interesting about all 293, but that would take a bit too long. So, thank you all very much, and I'm going to pass it back to Luci to go over the next steps.

Luci, I think you might be muted.

>>Luciana Ciocci: Thank you, Madden. So, in terms of next steps, we will be starting our project metric and milestone negotiations shortly. They are expected to last four to six months. And we will be announcing another solicitation for the program next calendar year.

So, that concludes our selections webinar today. Thank you very much for joining us. If you're not already receiving updates from us via our GDO newsletter, please sign up. A link is in the chat. Thank you, and have a wonderful day.

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