

No need to open the floodgates

Escrito por Charlotte Business Journal
Viernes 22 de Mayo de 2009 00:00



Last-minute attempts to influence license-renewal process at Alcoa's facilities could undermine attractiveness of a clean source of energy.

By Rick Miller ()*

Efforts by state and local officials to take control of Alcoa Inc.'s hydroelectric facilities along the Yadkin River are a challenge to those who support the competitive development of clean, affordable and domestic energy resources.

Hydropower is the United States' largest renewable resource. It generates 6% to 8% of the nation's electricity. Three-quarters of all electricity produced by renewables comes from hydropower. According to the Federal Energy Regulatory Commission, hydropower can double its capacity during the next 20 years.

While some of this new capacity will come from efficiency improvements to existing facilities, much can come without the need for new dams. Only 3% of America's dams have hydroelectric facilities, so converting them to electricity-generating resources will be a high priority.

Developers and entrepreneurs are also looking at new technologies that can generate electricity in oceans and tides. Earlier this year, Hydro Green Energy installed the first commercial hydrokinetic facility on the Mississippi River, near Hastings, Minn. This small, entrepreneurial company is creating jobs, attracting investment and generating electricity.

In fact, many cutting-edge hydropower technologies — all of which increase energy output without a significant additional environmental footprint — come from private-sector companies that demand stability and certainty in their business dealings to attract investment and innovate. They need to know that when they invest in a facility or technology — and meet the strict regulatory guidelines imposed on all hydropower projects — governments, regulators and other

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stakeholders aren't going to change the rules to suit other agendas.

Hydropower is one of the most highly regulated energy sectors in the United States. Hydropower operators typically begin their consultations on licensing and environmental issues years before licensing deadlines so they can be sure every stakeholder group can make its voice heard during the licensing process.

Many, including Alcoa, negotiate settlement agreements so relicensing conditions reflect the many stakeholder priorities and needs.

These consultations and reviews can stretch over years. For the Yadkin River projects, Alcoa began its relicensing efforts in 2002, having started its stakeholder outreach several years before that.

The U.S. hydropower industry supports this lengthy, collaborative process because it addresses stakeholder concerns and provides certainty. If a company plays by the rules, and goes through the licensing process in a transparent, community-minded way, it will secure the right to operate.

Allowing stakeholders to short-circuit the process to address other agendas at the last moment, after they had the opportunity to voice their opinions during the public process, jeopardizes the integrity of regulatory review. It also discourages private investment.

President Obama has challenged the renewable sector to double its output. The U.S. hydropower industry is prepared to meet this challenge. We urge stakeholders to work with us to make their voices heard through the mechanisms offered in the relicensing process rather than supporting alternative scenarios that undermine a collaborative approach.

By working together, we can continue and expand the benefits hydropower offers communities throughout the country.

(*) Rick Miller is president of the National Hydropower Association and senior vice president of hydropower services at HDR|DTA in Charlotte.