



FERC's Program for Hydrokinetic Projects

January 28, 2009



Topics

- Jurisdiction
- Hydrokinetic Energy Program
 - Preliminary Permits
 - Test Projects
 - Pilot Project License
 - Standard License





FERC Jurisdiction: Ocean Energy

Federal Power Act

- AquaEnergy Group (now Finavera)
 - Makah Bay Project, WA, DI02-3, Oct. 2002/Feb. 2003
 - Technology considered a hydropower project
 - Located in navigable waters
 - Occupies federal lands
- Pacific Gas and Electric Company
 - Humboldt and Mendocino Projects, CA
 - Rehearing on P-12781 and P-12779, issued Oct. 2008
 - Affirms jurisdiction based on project location on navigable waters and federal reservation
- FERC has no authority to site wind energy projects





Regulatory Approach

- The Commission:
 - supports the development of hydrokinetic projects
 - recognizes conundrum of need for real-world testing, yet limited info to prepare application
- Tailored existing program to meet the needs of new technologies
 - preliminary permits (strict scrutiny)
 - test projects (Verdant rule)
 - pilot project license



Types of Issuances

- Preliminary permits
 - Maintains priority of application for three years
 - Conduct feasibility studies
 - Doesn't authorize construction
- Licenses
 - Authorizes construction and operation
 - Original up to 50 years
 - Relicense 30-50 years





Preliminary Permits

Strict Scrutiny – February 15, 2007

- Applications
 - Appropriately sized area
 - Details of proposed technology
- Post-issuance administration
 - Schedule of activities, including NOI/PAD
 - Semi-annual progress reports
 - Cancel permit if no progress



Standard Licensing Processes

- Integrated Licensing Process (ILP)-default
 - Traditional Licensing Process (TLP)
 - Alternative Licensing Process (ALP)

Prefiling:

- Consult with interested parties on issues and studies
- Public meeting(s)
- Conduct studies
- Prepare license application

Postfiling:

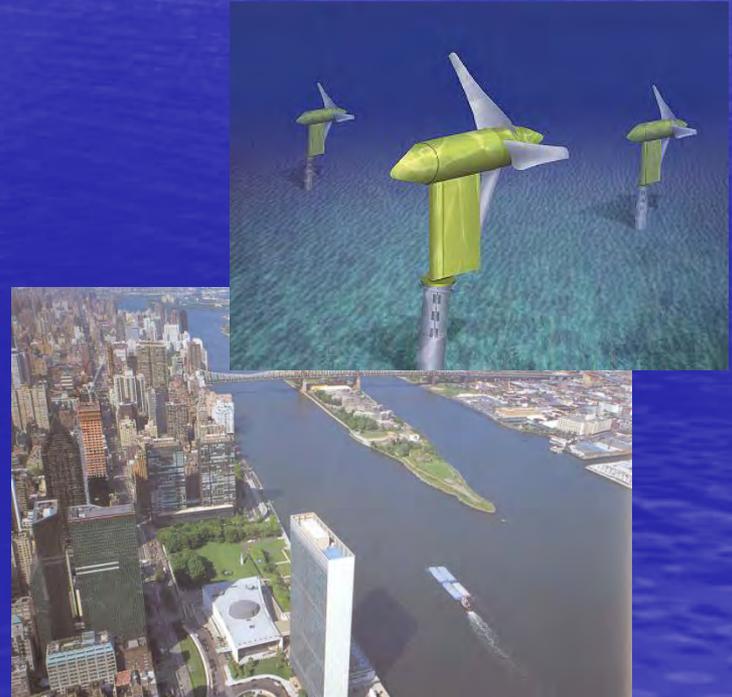
- Seek comments from interested parties
- Prepare EA or EIS and seek comments
- Weigh all information in record before Commission decision



Test Projects

(no FERC license needed)

- Verdant Declaratory Order- April 2005, July 2005
 - Roosevelt Island Tidal Energy Project, P-12178
- No license required if:
 - Experimental technology
 - Short term installation for conducting studies
 - Test project does not transmit into, or displace power from, the national electric energy grid





Pilot Project License

Whitepaper – updated April 14, 2008

- Allows testing of technology and/or sites and monitoring environmental effects while generating electricity
- Preserves all major licensing elements
- Protects the environment
 - short license term and small footprint
 - monitoring
 - project shutdown or removal if harm
- Complete licensing in as few as 6 months



Pilot Project Licensing Procedures

- Available for projects that are:
 - small, short term
 - not in sensitive areas
 - removable and able to be shut down
 - removed, with site restored, unless licensee opts for build out and obtains new license
- Initiated by draft application in a form sufficient to support environmental analysis



Regulatory Program

- Regulatory program has:
 - Opportunities to participate early and often
 - Early identification of issues, resolution of study or monitoring plans, and environmental review and comment
 - Opportunity for coordinated stakeholder permitting processes
 - Transparent and predictable, yet flexible

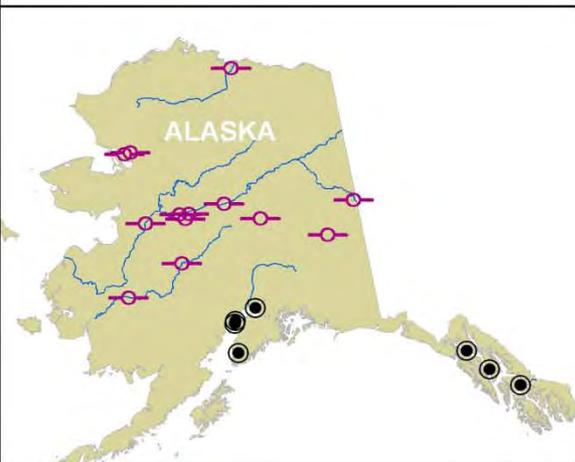
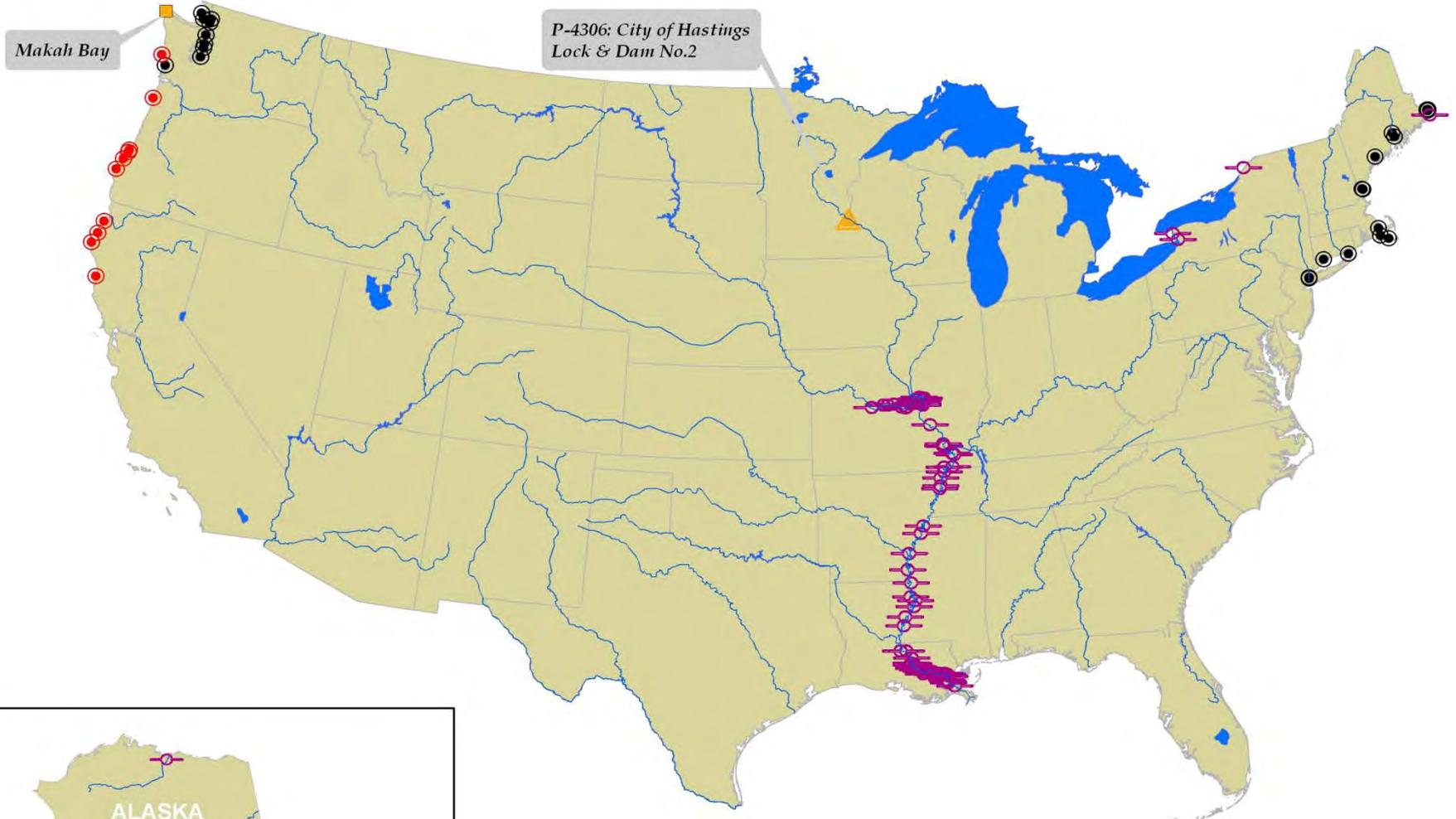


Hydrokinetic Proposals

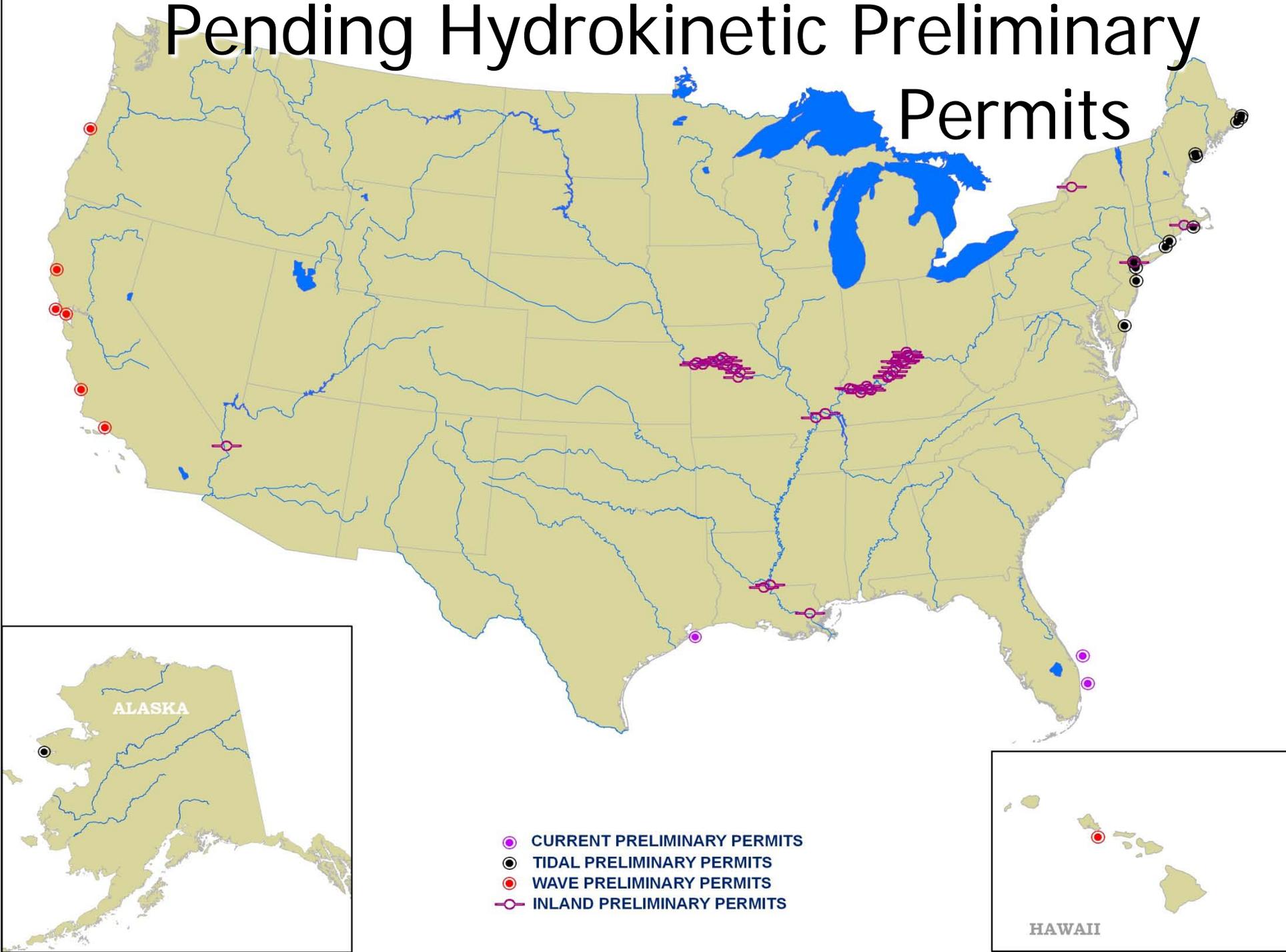
(as of December 2008)

- Issued preliminary permits
 - 4 CA, 4 OR, 10 WA
- Pending preliminary permits
 - 5 CA, 1 OR
- Projects in prefiling:
 - Reedsport (OR)
 - Coos Bay (OR)
- License issued (pilot project)
 - Makah Bay (WA)

Issued Hydrokinetic Licenses and Permits



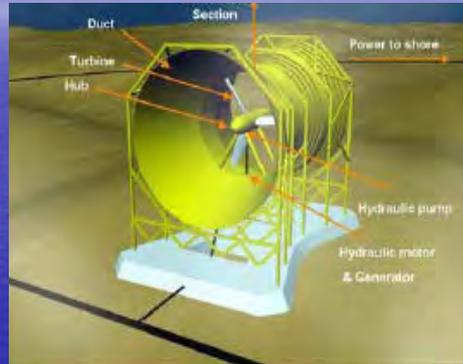
Pending Hydrokinetic Preliminary Permits





Questions

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