



**Massachusetts Water Resources Authority**

*Presentation to:*  
**MassCEC Financial Opportunities for Small Hydropower  
Workshop**

**US DOE Hydropower Production Incentives**

**Pam Heidell  
November 16, 2016**



## Background

- Section 242 of the Energy Policy Act of 2005 (EPAct 2005) established the Hydropower Production Incentive Program.
- Allows incentive payments to qualified hydroelectric facilities for energy generated and sold per calendar year, 2006-2015.
- Payment of up to 1.8 cents per kWh.
- Incentive payments made for 2013, 2014, and 2015: no appropriations by US Congress in prior years.



## Hydropower Incentive Program Looking Forward

- US Senate Bill S. 2012, the Comprehensive Energy Bill, addresses hydropower incentive program in Section 3002.
- Section 3002 amends Section 242 of EPAct 2005: extends hydropower incentive program to 2016-2025.
- Senate and House resolving differences



## How Program Works

To be eligible, facility must be:

- Owned or solely operated by a non-federal entity and generate energy for sale
- At an existing dam or conduit (without requiring construction or enlargement of impoundment/diversion structure).
- New – have began operation 2006 or after.



## How Program Works

- Congress has to appropriate money.
- US DOE then announces Incentive Payment Program guidance in the Federal Register, and DOE webpage:  
[www.energy.gov/eere/water/water-power-funding-opportunities](http://www.energy.gov/eere/water/water-power-funding-opportunities)
- Notice/application time frame has varied year to year:
  - CY2013: Noticed on 1/20/15, application period: 01/20/2015-02/19/15
  - CY2014: Noticed on 12/16/15, application period: 12/16/15-02/1/16
  - CY2015: Noticed on 4/26/16, application period: 4/26/16-5/31/16



## Contents of Application

A letter (there is no actual form) with attachments responding to each requirement in guidance document:

- Basic project info
- FERC documentation
- Meter characteristics and detail
- Statement/invoice/bill of sale for annual and monthly metered kWh (include monthly bills)
- Copies of permit authorizations, including interconnection agreement
- Supporting documentation that provides date of first sale of electricity
- A tax identification number
- Statement re: retention of records
- Confirmation that Applicant has created a Federal System for Award Management Account



## After Application is Submitted

- After review, DOE informs applicant the amount of kWh eligible to receive incentive payments
- DOE sends second letter indicating what incentive payment is: so far, less than authorized 1.8 cents per kWh.
- Amount per kWh determined as follows:

$$\frac{\text{\$ appropriation for hydropower incentive program}}{\text{total eligible kWhs from all applicants}}$$

- Awardees must submit invoice through DOE Electronic Payment system