US Army Corps of Engineers
Wilmington District

Non-Federal Funding of Federal Review Activities for Hydropower Add-Ons

- **Sponsor: Federal Energy Regulatory Commission (FERC)**
- **Federal review activities for permitting of non-Federal hydropower actions at Federal projects currently funded with Federal appropriations**
- **Additional authority required to allow activities to be funded by non-Federal private entity licensee**

CONGRESSIONAL DISTRICT: NC 1, 2, 4, and 5 DATE: 6 March 2014

1. **AUTHORIZATION:** Language under 16 U.S.C. §797 gives the Federal Energy Regulatory Commission (FERC) authority to issue licenses to non-Federal entities for the development of hydropower facilities at Federal dams. The U.S. Army Corps of Engineers supports suitable non-Federal hydropower plant construction at its water resources projects in accordance with its memorandum of understanding (MOU) between the Department of the Army and FERC dated 15 July 1983.

2. **LOCATION AND DESCRIPTION**: Proposed non-Federal hydropower add-on facilities at three Corps of Engineers projects within the state of North Carolina are currently underway in various stages of developments. Non-Federal construction is complete on the B.E. Jordan Dam and Reservoir project providing a plant capacity of 4.4 MW. A License has been granted for non-Federal hydropower development at W. Kerr Scott Dam & Reservoir and a permits issued by the FERC on the Falls Lake Project. Additional fact sheets are provided giving the latest status of non-Federal hydropower add-on development at each of these three Federal projects.

3. **FEDERAL FUNDING FOR FEDERAL REVIEW ACTIVITIES for NON-FEDERAL HYDROPOWER ADD-ON DEVELOPMENT**: Federal review activities for permit evaluation and technical oversight of construction actions are currently funded under the FERC Hydropower Coordination line item under the Operation and Maintenance appropriation. This funding is appropriated at the national level and is very limited. The nationwide FY 2014 appropriation was $3,000,000. Funding shortfalls at the national level could result in the use of limited Federal funds appropriated to specific Federal projects to perform the Federal technical reviews and oversight for development of non-Federal hydropower facilities.

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4. **ISSUE AND INFORMATION:** The Federal costs for conducting the technical review and oversight of developing non-Federal hydropower add-on at Federal projects are expected to continue as more emphasis is placed on the use of ‘green” power alternatives in the future.

Current authority allow the Federal government to accept contributed funds from states and other governmental entities to be expended in connection with funds appropriated by the United States, but it does not permit the acceptance of funds from private developers to conduct these activities. The future costs to the Federal government is expected to increase as private development expands. If the Federal government was authorized to accept non-Federal funds from private developers for Federal review and oversight activities, the primary non-Federal beneficiary would appropriately bear the costs of developing hydropower add-on facilities at Federal projects, resulting in reduced Federal costs.