

June 3, 2009

The Honorable Jeff Bingaman  
Chairman, Committee on Energy and Natural Resources  
United States Senate  
304 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Bingaman:

As you consider options to strengthen our nation's energy policy through the development of a Federal Renewable Electricity Standard, we urge you to reject all amendments that would weaken the definition of hydropower that qualifies as existing or new renewable energy within the bill. In particular, we are strongly opposed to Senator Murkowski's amendments that would expand the definition of hydropower in the bill, upsetting a delicate compromise reached between the hydropower industry and the environmental community.

Your draft of a Federal Renewable Energy Standard currently includes a provision that would extend Renewable Energy Credits (REC) to efficiency improvements, capacity upgrades, and hydropower added to existing non-hydropower dams in an environmentally responsible manner. Your definition reflects a carefully negotiated agreement among environmental organizations and the National Hydropower Association that balances the need to encourage new renewable energy with reasonable measures to protect environmental quality.

Senator Murkowski's proposed amendment to include all hydropower in an RES would negate this compromise, and would also undermine the goal of the RES by allowing utilities to count a significant number existing generation assets. Hydropower currently accounts for roughly 7-10% of our nation's electric generation. If existing hydropower was eligible for inclusion in an RES, there would be little incentive to bring new renewable energy resources online before 2017. Many utilities with hydro-rich portfolios would have no incentive to develop new renewable resources at all.

Senator Murkowski's other hydropower amendments would also incentivize projects that cause serious environmental harm. In strengthening our energy policy, Congress must recognize that all hydropower is not equal. Hydropower dams of all sizes and types can significantly damage rivers, causing physical and chemical changes and having impacts on drinking water, recreation, fisheries, wildlife, wastewater disposal, and other non-power uses of public waters. Renewable energy credits should be limited to hydropower projects where these impacts are minimized. The classes of hydropower projects that Senator Murkowski's amendments would add to the RES all fail to meet this fundamental standard.

An amendment to make eligible under the RES all hydropower projects with a capacity of 50 MW or less would include 90% of all non-federal hydropower projects, and would flood the RES with more than 6,000 MW of existing capacity, all without bringing any new renewable energy capacity online. It would undermine the environmental safeguards currently in your draft RES, and would create a powerful incentive for the owners and operators of existing dams to maximize power generation at the expense of environmental protection. In short, it would incentivize the worst kind of hydropower projects: those that contribute relatively little energy to our nation's grid while often having impacts on rivers that are as significant as those caused by large dams.

While pumped storage can potentially play a role in firming intermittent renewables, pumped storage is a net *consumer* of energy and is often paired with coal-fired generation. In addition, pumped storage projects have enormous environmental impacts, causing harmful erosion, and flow fluctuations that are so extreme that some rivers run backwards during pumpback operations.

Lake tap projects also have significant environmental impacts, and should not be eligible for RES credits. These projects involve drilling a tunnel up into the lake to create a "tap" from which water can be withdrawn, and diverting the water to a powerhouse. While lake taps do not involve new dam construction, they involve significant new diversions, dewatering the rivers that naturally drain lakes. These projects can also harm the delicate ecosystems of natural lakes by artificially raising the lakes' elevation and causing lake levels to fluctuate unnaturally. Lake tap projects are also likely to create fish passage problems for migratory fish like salmon that are similar to the problems created by conventional hydropower dams.

We recognize, however, that hydropower will continue to play a role in our nation's energy portfolio. We feel that the compromise reached among environmental groups and the National Hydropower Association represents a strong step in this direction, significantly increasing hydropower capacity while protecting the environment. We would also be happy to discuss amendments with the committee that would provide some form of Renewable Energy Credits for hydropower projects that have been independently reviewed and certified based on their environmental performance, using a rating system such as the one developed by the Low Impact Hydropower Institute ([www.lowimpacthydro.org](http://www.lowimpacthydro.org)).

We urge you to preserve the integrity of the compromise language set forth in the bill and oppose Senator Murkowski's hydropower amendments, or any other amendment that would weaken your bill's definition of hydropower as a new or existing renewable energy resource.

For more information, please contact John Seebach, Director of American Rivers' Hydropower Reform Initiative at [jseebach@americanrivers.org](mailto:jseebach@americanrivers.org) or (202) 347-7550.

Sincerely,

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