



Senator Joe Manchin
306 Hart Senate Office Building
Washington, D.C. 20510

August 01, 2022

Dear Senator Manchin:

We applaud your leadership on the *Inflation Reduction Act*. Thanks to your dedicated efforts, Congress is on the verge of considering historic legislation which will lower energy costs for consumers, reduce our national debt, and decrease American reliance on foreign supply chains.

While the proposal contains important provisions for incremental new hydropower and new pumped storage, we are extremely concerned that the package does not address the maintenance needs of aging hydropower facilities. As you noted during the Senate Energy and Natural Resources Committee's hearing on hydropower this January:

“Between now and 2030, 281 facilities that represent nearly 14 gigawatts of hydropower generation and pumped storage hydropower capacity are up for FERC relicensing, which is close to a third of all U.S. non-federal hydropower capacity. Between low hydroelectricity prices and the high capital costs of maintenance and retrofits required for relicensing, there is a real possibility that many of these plants could face closure.”

Like the support for existing carbon-free nuclear plants, support for existing carbon-free hydropower facilities would enable them to continue producing the reliable and flexible baseload generation needed as more variable resources join the grid. But, without tax support, the expensive environmental and safety upgrades often needed during relicensing may push many facilities to surrender their licenses well before the end of their useful lives.

Unfortunately, the *Inflation Reduction Act* may inadvertently accelerate early retirements of hydropower by creating an uneven investment landscape. Without tax support to maintain and enhance existing hydropower, utilities may be pushed into building new, tax-favored generation rather than maintain the existing hydropower fleet.

As you know, hydropower is the only carbon-free energy resource that can both provide baseload power and flexible generation to ensure the reliability of America's evolving energy system. Without support for environmental and safety upgrades at hydropower facilities, America could lose this unique source of electricity generation.

Last year, Senators Cantwell and Murkowski introduced S. 2306, an investment tax credit to cover the non-generation related investments that hydropower facilities are often required to make as part of FERC relicensing. To ensure the viability of existing hydropower generation, we urge you to include this tax credit in the *Inflation Reduction Act*.

Thank you for your thoughtful leadership and consideration of this proposal.

Sincerely,
Alabama Power Company
Advanced Hydro Solutions
Alaska Independent Power Producers Association
Alaska Power Association
ANDRITZ Hydro Corp
Barber Pool Hydro LLC
Bell Mountain Hydro LLC
Birch Power Company LLC
Brookfield Renewable
C-Drop Hydro LLC
Central Nebraska Public Power and Irrigation District
Chelan County PUD
Current Hydro Corporation
Demopolis Hydro LLC
Drop 5 Hydro LLC
Dry Creek Hydro LLC
Eagle Creek Renewable Energy
EIF Haypress LLC
FirstLight Power
Georgia Power Company
Gracon LLC
Grand Valley Hydropower LLC
Gravity Renewables, Inc.
Great River Hydro, LLC
Homer Electric Association, Inc.
Hydrokinetic Energy Corp.
Juneau Hydropower Inc.
Kern and Tule Hydro LLC
Lemhi Hydropower Company
Marsh Valley Development, Inc.
Mavel Americas, Inc.
MC6 Hydro LLC
Natel Energy
Nelson Energy
New England Hydropower Company LLC
Nidec - Kato Engineering & Leroy-Somer
North Gooding Main Hydro LLC
Northbrook Energy
Northern California Power Agency
Northern Wasco County People's Utility District
Nustream LLC
Rye Development, LLC.
Seattle City Light
Shavano Falls Hydro LLC
Sorenson Engineeirng, Inc.
Southeast Alaska Power Agency
Southern Company

Sprague Hydro LLC
St. Anthony Hydro LLC
Tacoma Power
Tiber Montana LLC
Tidal Energy Corp
Turlock Irrigation District
Turnbull Hydro LLC
UBC Millwrights
Whooshh Innovations Inc.
Wood Hydro LLC
Worthington Products Inc.
Wyoming Water Power LLC

cc: Senators Maria Cantwell and Lisa Murkowski