The past year has been a “watershed” for the hydroelectric industry. Hydropower has been at the forefront of critical national debates on energy, environmental, and economic policy, and we’ve shown that America’s largest renewable energy resource is in the unique position of being able to offer solutions that address some of our society’s most pressing issues.

As a result of our flexibility and responsiveness, we’re building new alliances and partnerships with environmentalists, legislators, policymakers, the media, and the public. Our key constituents are beginning to understand that water power resources—including conventional, pumped storage, instream hydrokinetic, tidal, and wave—will play a significant role in increasing the country’s clean-energy generation.

Most important, we’re seeing results:

- Tax incentives and program extensions that offer developers new options and certainty in their work
- Agreement with non-governmental organizations over support for new hydropower at existing non-powered dams, which is helping to bolster hydropower’s role in legislative debates
- Support from the Obama administration on including hydropower in national policy issues and in the federal R&D budget
- Growing interest from NHA members on issues like transmission and storage, new technology development, and new construction
- Increased awareness that pursuing our strategies through NHA, with one, unified voice, is our most effective route for the future.

At NHA, we’ve worked hard to leverage every opportunity to expand and bolster the industry’s competitive position. As you’ll see in this report, we are building on the progress we’ve made this year to position hydropower for the future. We’ve made great progress in the last year, which is creating new opportunities and demands. It’s up to us, as an industry, to meet the call.

We’re honored to work with you to advance hydropower’s interests. We believe that we will look back at this time as the beginning of a new and successful era for hydropower.
The world looks different than it did a year ago. Not only has our country had to face economic challenges that eclipse anything we’ve seen in the last 80 years, but we have a new President and Congress who have a new set of priorities and policies.

At NHA, we’ve focused hard on offering solutions and strategies that respond to these changing times. Just as our predecessors did eight decades ago, we’re demonstrating that hydropower is an engine for America’s future.

Policymakers are taking note of these messages. Last August, Reps. Cathy McMorris Rodgers (R-WA), Grace Napolitano (D-CA), Jim Costa (D-CA), and Adrian Smith (R-NE) formed the Congressional Hydropower Caucus, a bipartisan group that will promote hydropower’s benefits for our nation.

**Economic Growth**

NHA members continue to report that the future looks bright. From the newest start-ups to Fortune 500 corporations, hydropower companies are hiring, growing, and looking at new projects. This is the message we’ve taken to Congress and the Administration, where we’re finding growing support for policies that will help our industry continue to expand and deliver jobs, investment, and resources to all parts of the country.

Nowhere was the support for hydropower more evident than in the 2009 American Recovery and Reinvestment Act. These national stimulus measures included several provisions that secure and expand hydropower’s benefits. For many projects, hydropower developers now have access to production tax credits through 2013, or they can opt for 30 percent investment tax credits instead. If they opt out of those programs, they can seek Treasury Department grants that will reimburse up to 30 percent of their total expenditures on projects developed in 2009 or 2010.

The Act also authorized an additional $1.6 billion for the Clean Renewable Energy Bond program, created Advanced Energy Investment Tax Credits for manufacturing companies, and extended the 50 percent bonus depreciation credit through 2009.

These provisions represent the largest expansion of hydropower development incentives in more than a decade.

NHA will continue to advocate for economic and tax policies that support hydropower industry development and a sounder, stronger national economy.

**Energy and environmental policy**

By communicating to the presidential campaigns, reaching out to the Obama transition team, and working with the new Administration, NHA has been able to craft strategies and positions that respond to new national public policies. From the start, one message has been clear: Energy and environmental policy will move forward in tandem, with a strong focus on programs that will build new, clean, and more sophisticated energy resources.

As the stewards of the country’s oldest renewable energy resource—and developers of some of the newest energy technologies—this is a direction we’ve been going for many years. NHA is working to ensure that policymakers understand this, too.

We’re already seeing progress. The Recovery Act includes $4.5 billion for energy reliability activities that will modernize the electric grid, both to improve its efficiency and to build infrastructure that can handle the growth of distributed, sometimes variable, renewable energy resources. Creating a system that can balance these new resources will require not only new transmission facilities, but also additional peaking and storage capacity—as much as 50 gigawatts, according to a recent U.S. Department of Energy (DOE) report.

Between hydropower’s unique load-firming capabilities and the fact that pumped-storage is the only large-scale energy storage option available today, hydropower can—and should—be at the center of transmission policy development. NHA’s board recently released a position statement on transmission reflecting this reality and stake the industry’s claim to be part of infrastructure policy development. The association is also working with members, other renewable energy organizations, and coalitions involved in transmission issues to educate policymakers on the role hydropower can play in storage and transmission.

Legislative proposals that address energy and climate change are also beginning to reflect hydropower’s importance as a renewable resource. Leaders in both the House and Senate floated legislation in early 2009 that would include incremental, ocean, tidal, and hydrokinetic projects in national renewable energy portfolio standards. Legislation also includes projects that could convert non-powered dams into clean-energy resources.

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With only 3 percent of the country’s 78,000 dams currently generating electricity, NHA is strongly advocating for this language. NHA will continue to press for policies that recognize the industry’s overall environmental benefit, including the 225 million metric tons of carbon dioxide emissions that we help avoid each year. We’ll seek renewable energy bonus allowance programs, PTC parity, pumped storage incentives, and other policies that reflect the industry’s energy and environmental contributions.

Research and development advocacy

At the same time we’re working on national priorities, NHA is also advocating for specific policies, programs, and regulations that will position hydropower to fulfill its energy, environmental, and economic potential. For example, two years ago, the Electric Power Research Institute (EPRI) estimated that a total federal research and development investment of $377 million between 2007 and 2015 could increase U.S. hydropower capacity by almost 25 percent. Armed with this estimate, NHA set out to secure more federal funding for hydro R&D.

We’ve already started to see the fruits of this effort. This year’s federal budget includes more than $40 million for the DOE Waterpower Program, a level 10 times higher than last year’s budget. NHA will be working closely with our members and DOE to propose activities that can ensure every federal dollar goes toward projects that will extend hydropower’s benefits further.

Regulatory Work

Having a sound regulatory framework is critical for ensuring the licensing of new facilities and the relicensing of existing sites. NHA works closely with the Federal Energy Regulatory Commission (FERC), resource agencies, and other regulators to represent the industry’s position in all issues. FERC officials are also interested in reaching out to the industry through NHA. At NHA’s 2008 Annual Conference, FERC Commissioner (now Chairman) Jon Wellinghoff delivered a keynote speech urging the industry to forge ahead with development and challenging NHA members to double installed capacity.

Guided by the Regulatory Affairs Committee, NHA works on issues including compliance, PTC certification, and environmental implementation. NHA’s New Technologies Council also works on licensing and siting issues for hydrokinetics.

NHA also submits filings and petitions on behalf of the industry. Major actions in 2008 included:

- **February 2008:** Comments on the Minerals Management Service’s Information Collection Request concerning alternative energy activities on the Outer Continental Shelf.
- **September 2008:** Comments on the Proposed Rule for the Minerals Management Service’s Alternative Energy Program.
- **November 2008:** Comments on the Proposed Listing of the Gulf of Maine Distinct Population Segment of Atlantic Salmon.

Providing a Unified Voice for a Diverse Industry

NHA represents the interests of the entire hydropower industry, from companies that use conventional hydropower technologies to generate electricity to entrepreneurs who are developing applications that will harness energy from tides, oceans, rivers, and streams. Through NHA, these varied organizations come together as an industry to advocate and speak with a single, unified voice.

In early 2009, NHA held its first executive leadership event, which brought member CEOs and officers to Washington, D.C., for a three-day series of meetings with key legislators, senior administration officials, top regulators, and others. This “fly-in” event also provided an opportunity for industry executives to learn more about—and help shape—NHA’s messages and priorities.

As the voice of the industry, NHA reaches out to many different organizations to build alliances and represent hydropower’s interests. This involves finding common ground with potential allies, communicating about hydropower’s benefits, and representing the U.S. hydropower industry’s priorities around the world.

This work has helped secure some of our most significant policy breakthroughs over the last year. Seeing the growing policy interest in developing clean-energy resources as a means to address climate change, NHA has reached out to many of the country’s leading environmental groups to find areas where we can build on our common commitment to clean energy.
For example, NHA reached an agreement this year with American Rivers, the Natural Heritage Institute, and Trout Unlimited to support legislation that encourages the development of hydropower at non-powered dams, as well as some incremental, ocean, and tidal projects. This agreement has helped NHA secure a place for these important water power technologies in key legislation.

NHA also joined with the Hydropower Reform Coalition, an organization of more than 140 environmental groups, to applaud efforts by Secretary of the Interior Ken Salazar and FERC Chairman Jon Wellinghoff to resolve jurisdictional issues that have hampered the siting and licensing of ocean renewable energy projects.

NHA continues to work with other trade associations in the renewable energy sector, too. Although each technology has its own needs and priorities, we share many policy goals, as well as a commitment to expanding the county’s renewable energy portfolio. In November, we demonstrated our common goals at a joint media teleconference outlining policies that can position the renewable energy sector to bolster the economy.

NHA also represents the U.S. industry to our international counterparts. In the past year, NHA and Canadian Hydropower Association officials have held several meetings and made presentations to both boards of directors to strengthen the entire North American hydropower community. NHA works with the International Hydropower Association and other global non-governmental organizations on behalf of the U.S. industry, too.

Public Presence

NHA works closely with members to create opportunities for regional and local media attention and to support individual member outreach efforts.

In consultation with the Public Affairs Committee, we also develop integrated messages, tools, and support pieces that communicate to target audiences. Key areas of activity include:

Media
NHA works with reporters, producers, and editors continuously to provide the industry’s prospective and shape national and regional stories. Outlets we’ve worked with in the last year include CNBC, CNN, Fox News, ABC, the Associated Press, Reuters, the Washington Post, the Washington Times, USA Today, the Boston Globe, the Pittsburgh Post-Gazette, and others. In addition to national media work, NHA responds to dozens of inquiries from trade and local media.

Member support
NHA also works closely with members to create opportunities for regional and local media attention and to support individual member outreach efforts. This strengthens NHA’s national profile and keeps the association focused on national policy issues, while bolstering our members’ profiles and demonstrating the range of projects and activities throughout the country.

Statements and press releases
NHA issues several statements and releases every month providing the industry’s perspective on critical policy developments and highlighting key developments in hydropower.

Strategic communications tools
NHA also prepares targeted communications tools for our audiences, such as messaging papers for the Obama transition team, backgraders for media, fact sheets for the public, and special presentations for external audiences, such as the Hydropower Caucus. All material is designed to convey the industry’s key messages in a way that is most accessible and effective for each audience.

Online presence
NHA continues to expand and develop its web presence. In the last year, we’ve added several features to the website, including news feeds from around the world. NHA’s CapWiz interactive policy tool also allows members to send messages to their Congressional representatives, track legislation, and follow issues on Capitol Hill. These enhancements are part of our ongoing work to make Hydro.org the most complete, effective hydropower resource on the web.

Building for Hydropower’s Future

One of NHA’s most important messages is that hydropower is a growth industry—in fact, observers from EPRI to FERC see us doubling our capacity in this generation. That’s a surprising trajectory for an industry that has been operating continuously for more than 125 years, but it’s a goal that NHA is committed to reaching.

This year, the industry saw a major milestone in our journey when FERC granted Hydro Green Energy the first commercial hydroskinetic license for a project on the Mississippi River at Hastings, Minnesota. NHA believes that this is the first in a line of projects we’ll see that turn new applications and new sites into commercial clean-energy resources.

Other NHA members also made history. In August, Grant County Public Utility District licensed its Wanapum and Priest Rapids facilities as part of its work in installing new advanced hydro turbines at the sites. This technology came about through a public-private effort under the Advanced Hydropower Technology Program, which involved DOE, Voith Siemens Hydro, and other industry groups. NHA salutes Grant County PUD for both a new license and this concept-proving project.

Through its committee structure, NHA works to foster projects like these and pursue other activities that keep the industry prepared for the future. The Research and Development (R&D) Committee worked closely with NHA staff and key officials to build support for the DOE Waterpower...
Program, as well as specific projects in that program, such as Brookfield Renewable Power's testing of the Alden Turbine at its School Street facility in New York.

For example, the Hydraulic Power Committee (HPC) gives members a forum for sharing best practices, reviewing operational issues, and exploring ways to improve the industry's technical capabilities. The HPC's work this year included site visits to hydropower facilities and manufacturing plants, events with representatives from FERC and other organizations, and meetings to look at O&M practices, key performance indicators, and emerging issues. The Dam Safety Subcommittee has also worked with FERC's DJSI office on developing safety and security guidelines and has commented on evolving dam-safety regulations.

NHA is also building support for hydropower on a regional basis. The Regional Meetings Committee conducted four events in different parts of the country this year to being NHA's benefits and networking opportunities to members and potential members. These events will help build NHA's national profile, as well as increasing the exposure all industry employees have to the association.

In addition to hosting its own national, regional, and Capitol Hill events, NHA staff and officers make presentations and participate in dozens of events each year. These events help communicate NHA messages to key audiences, bring NHA's benefits to members and potential members. These events will help build NHA's national profile, as well as increasing the exposure all industry employees have to the association.

Events & Activities

In addition to hosting its own national, regional, and Capitol Hill events, NHA staff and officers make presentations and participate in dozens of events each year. These events help communicate NHA messages to key audiences, bring NHA's benefits to members and potential members on a regional level, and encourage increased industry participation in the association's activities. Key events and meetings this year include:

- PowerGen Renewable Energy, Las Vegas, 2/08
- National Association of State Energy Officials, Washington, D.C., 2/08
- Northwest Hydroelectric Association Annual Conference, Portland, OR, 2/08 and 3/09
- WIREC, Washington D.C., 3/08
- Global Marine Renewable Energy Conference, New York, 4/08
- Offshore Technologies Conference, Houston, 5/08
- Energy Ocean 2008, Galveston, 6/08
- NEED Career Fair, Washington, D.C., 6/08
- Sustainable Energy Expo, Washington, D.C., 7/08
- HydroVision, Sacramento, 7/08
- Northeast Regional Meeting, Holyoke, MA, 9/08
- House HydroPower Caucus Inaugural Event, Washington, D.C., 9/08
- Hydraulic Power Committee, Lancaster, PA, 10/08
- Northwest Regional Meeting (co-hosted with NWHA), Bellevue, 10/08
- Society of Environmental Journalists, Blacksburg, VA, 10/08
- DOE/EPRI R&D Needs for Waterpower Development Workshop, Washington, D.C., 10/08
- National Foundation for Women Legislators, Sarasota, 11/08
- Canadian Hydropower Association, Ottawa, 11/08
- Southeast Regional Meeting, Birmingham, AL, 12/08
- Colorado River Water Users Conference, Denver, 12/08
- International Renewable Energy Agency, Marrakech, 11/08
- World Future Energy Summit, Abu Dhabi, 1/09
- New York Energy Week, New York, 12/09
- Hydropower & Water Resources Conference, Austin, 1/10
- Renewable Energy Investment Conference, San Francisco, 2/10
- World Water Power, Bologna, 3/10
- International Water Power and Dam Construction, London, 6/10
- Solar Power International, Las Vegas, 10/10

Affiliated Organizations

- Hydro Research Foundation
- U.S. Hydropower Council

New Members

- 3Tier
- AES
- AXYS Technologies, Inc.
- Ballard Spahr Andrews & Ingersoll
- Beacon Street Partners
- C.F. Malm Engineers LLC
- Eagle Crest Energy Corp.
- Evergreen Power Corp.
- Free Flow Power Corporation
- GenPower Development, LLC
- Golder Associates
- Hydro Energy Technologies Interpro US
- Jennings, Stroup & Salmon
- Lockheed Martin
- London Economics International LLC
- Manitoba Hydro
- NatEL International LLC
- Northern Illinois Hydropower LLC
- PB Power
- Pemberton Power Corp.
- Principle Power
- Public Service of New Hampshire
- Strategies 360
- Tetra Tech

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- Vice President—Janet Audunson, Hiscock & Barclay, LLP
- Treasurer—John Delude, Normandeau Associates
- Secretary—Julie Keil, Portland General Electric

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- Leslie Eden, HCI Publications, Inc.*
- Julie Smith-Galvin, Brookfield Renewable Power
- E. Mark Garner, Voith Siemens Hydro Power Generation
- Suzanne Grassell, Chelan County PUD
- James Hancock, Portland General Electric
- Julie Keil, Portland General Electric
- Gregory Lewis, Duke Energy

*Past NHA presidents

NHA Staff

- Linda Church Giocci, Executive Director
- Jeffrey A. Leahey, Esq., Senior Manager of Government and Legal Affairs
- Diane C. Lear, Membership and Marketing
- Kimberly Costner, Executive Assistant
- John Rastler, Legislative Assistant
- Chris Manger, Staff Assistant

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