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DOE Offers \$32 M to Keep Hydro Projects Flowing

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The federal government will offer up to \$32 million to hydroelectric power companies to upgrade existing hydro facilities, increase their efficiency and reduce their environmental impact, Energy Secretary Steven Chu said Tuesday in a statement.

Chu announced two separate categories in which money will be granted: upgrades at existing non-federal hydro facilities generating more than 50 megawatts of power; and upgrades at existing non-federal hydro facilities generating less than 50 MW of power.

Letters of intent are due July 22 and completed applications are due Aug. 20, Chu said in the statement.

Chu also said a benefit of hydro power is the ability to store energy behind dams.

"There's no one solution to the energy crisis, but hydropower is clearly part of the solution and represents a major opportunity to create more clean energy jobs," he said. "Investing in our existing hydropower infrastructure will strengthen our economy, reduce pollution and help us toward energy independence."

Bryan Hay, a spokesman for Allentown, Pa.-based PPL Corp., said his company is likely to apply for some of this Department of Energy money.

Last year the company stopped a planned addition of 125 megawatts of generating capacity at the Holtwood hydroelectric plant on the Susquehanna River in Lancaster County, Pa., citing increased construction costs and lack of financing. But this expansion is now back on the table because of federal help.

"We're already planning two hydroelectric plant expansions that we're able to pursue because of the tax credits in the stimulus bill," Hay said in an interview with Clean Technology Insight. "Any additional support from the federal government is something that we would want to take a look at."

PPL owns 11,000 MW of power generation, with 947 MW of that coming from hydroelectric sources. The utility business has 1.5 million customers in Pennsylvania and 2.5 million customers in the U.K. The company also has an energy marketing and trading business.

Mark Stover, vice president of corporate affairs for Hydro Green Energy, LLC, said in an interview that he wasn't sure his company would qualify for some of this federal money because the DOE had left out an important source of hydropower from eligible projects.

Stover said the DOE should reconsider and include hydro projects that retrofit existing non-hydro dams to make them hydropower generators. Stover said his company is working on such a technology.

Houston, Texas-based Hydro also makes hydrokinetic power systems that generate electricity from moving water in open rivers, tidal areas and oceans. The technology can also be used downstream from existing hydropower facilities.