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GREAT RIVER HYDRO

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New England  
Hydropower  
Company, LLC

GRANITE STATE HYDROPOWER ASSOCIATION | BAY STATE HYDROPOWER ASSOCIATION

The Honorable Chairman Richard E. Neal  
Chairman  
Committee on Ways & Means  
House of Representatives

**Re: New England Cannot Build Back Better Without Hydropower**

Honorable Chairman Neal,

As hydropower asset owners in New England, we urge you to a tax credit to maintain and enhance existing zero-carbon hydropower in Build Back Better.

The events of April 1, 2020 illustrate why. A New England nuclear plant tripped offline and, despite the loss of over 1,200 MW of power (the equivalent of nearly half a million homes), the lights throughout New England did not even flicker. That's because the region's two pumped storage hydropower facilities, Bear Swamp and Northfield Mountain, instantly generated power to make up the shortfall. Examples like this occur regularly around the nation, with hydropower and pumped storage providing over 100 GW capacity of flexible, zero-carbon electricity to keep our grid operating.

We urge you to include a 30% Investment Tax Credit (ITC), with a direct pay option for public power, in Build Back Better to preserve and modernize the nation's hydropower and pumped storage fleet. This tax proposal is part of H.R. 4375, *Twenty-First Century Dams Act*, bipartisan legislation by Representatives Kuster and Young, which has 48 co-sponsors and is endorsed by industry, river, environmental, climate, and dam safety groups. The proposed 30% ITC incentivizes investments in grid resiliency measures, environmental improvements, dam safety enhancements, and removal of dams that have outlived their useful purpose.

We need to invest in the existing hydropower and pumped storage fleet to avoid going backwards on climate. Without the Clean Electricity Performance Program (CEPP) or other federal support, the carbon-free hydropower generators that provide the flexibility needed to operate an electric system with variable wind and solar are at risk of premature decommissioning. Nationally, licenses for 281 hydropower facilities will expire by 2030, the majority of which are in the northeast (170), accounting for 1,528 MW. On average, relicensing a hydropower facility takes seven years and the paperwork costs \$3.5 million. This is before environmental or dam safety upgrades, which are even more expensive. If the tax code doesn't support upgrades necessary to relicense hydropower facilities, we could see a historic wave of hydropower facilities retire in the next decade.



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Hydropower is the renewable energy resource that has the unique ability to balance the grid when the sun is not shining, and the wind is not blowing. We look forward to working with you and your staff during this historic time to ensure that the reconciliation package includes provisions critical to maintaining and enhancing baseload, flexible, carbon-free hydropower and pumped storage.

Thank you for your consideration.