

VT Small Hydropower Assistance Program

Overview

Hydroelectric project proposals meeting certain criteria for limited resource impacts can be permitted more quickly and easily than those with greater impacts. The purpose of this document is to describe those criteria and how developers can obtain a low impact determination and associated state agency assistance.

Hydroelectric projects – unlike solar, wind, biomass, and other grid-connected renewable electricity projects – are required to obtain a federal authorization (from the Federal Electric Regulatory Commission, or FERC). This is because the waters of the U.S. are held in public trust, and regulated under the federal Clean Water Act. FERC authorization is required whether the project is large or small (the largest FERC-authorized project in Vermont is 320 MW, and the smallest is 5 kilowatts). The FERC process can be time- and resource-intensive, especially for projects that have greater potential for impacts to natural and cultural resources.

The Vermont Agency of Natural Resources (ANR) and State Historic Preservation Office (SHPO) of the Vermont Agency of Commerce and Community Development are the state resource agencies to which FERC turns to ascertain a project's compliance with the Clean Water Act and National Historic Preservation Act, with which a project must comply by virtue of receiving a federal permit such as the authorization (license or exemption) issued by FERC. ANR will issue a Clean Water Act Section 401 Water Quality Certification (a 401) to projects that demonstrate they will meet Vermont's Water Quality Standards; the 401 also serves to demonstrate compliance with the Clean Water Act for the purpose of the FERC authorization. SHPO works with applicants to assess and mitigate impacts to federal or state historic resources and comments to FERC on the results of those assessments for purposes of determining compliance with the National Historic Preservation Act.

ANR and SHPO, in coordination with the Vermont Public Service Department (which houses the state energy office) are available to assist developers in identifying the extent of impacts to natural and cultural resources posed by potential projects and how to address those impacts in order to help projects move through the federal and state permitting processes. The agencies have developed a two-step screening process to identify and assist low-impact projects. The first step involves a desktop review of project proposal characteristics, while the second step is based on a site visit (and predicated on successful screening through the first step). The agencies will provide enhanced assistance to projects that screen as low impact, as appropriate (for instance, waiving scoping periods in the FERC process and/or representing to FERC that agency concerns have been satisfied).

The screening criteria and guidance are described in more detail in the application forms and can be used, at a minimum, by developers as a tool to identify projects that have the best

chance of proceeding through the FERC process with speed and modest expense. If you think your project meets the criteria and you would like to take the next step of applying for an interagency site visit, please review the [Step 1 Screening Criteria Summary](#) and fill out the [Step 1 Application Form](#).

For more information on the FERC process, see <http://www.ferc.gov/industries/hydropower/gen-info/licensing/small-low-impact.asp>

This program applies to new projects only, not to relicensing of existing projects. Projects are not required to go through this program; it is an optional pathway through which developers may proceed should they wish to better understand agency cultural and natural resource concerns before proceeding with the FERC process.

Note also that that this program does not seek to screen projects for their economic viability or for a developer's ability to build, operate, or finance a project. Oak Ridge National Laboratory offers a Hydropower Energy and Economic Analysis tool at <http://www.usbr.gov/power/AssessmentReport/USBRHydroAssessmentToolVersion2.0.xlsm>. The economics of hydropower can be affected by a number of factors, including but not limited to permitting and required studies, capital costs, equipment selection, flow characteristics, permit compliance, maintenance, repair, supervision, and – of course – incentives and the value of power produced.

Questions? Contact Anne Margolis at the Public Service Department: anne.margolis@vermont.gov, or 802-828-3058.

