

FERC-2
Hydrokinetic Pilot Project License
Federal Energy Regulatory Commission
Office of Energy Projects

Permit Packet Includes:

1. Process Overview
2. 18 CFR Part 5 (see Addendum **18 CFR 5**)
3. MMS / FERC Guidance on Regulation of Hydrokinetic Energy Projects on the OCS
4. Licensing Hydrokinetic Pilot Projects FAQs, April 14, 2008
5. Hydrokinetic Pilot Project Criteria and Draft Application Checklist, Pursuant to 18 CFR 5.18

Approval or Permit Required: To obtain authorization for hydrokinetic pilot project activities on the Outer Continental Shelf (OCS).

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Website: <http://www.ferc.gov/industries/hydropower/gen-info/licensing/hydrokinetics/energy-pilot.asp>

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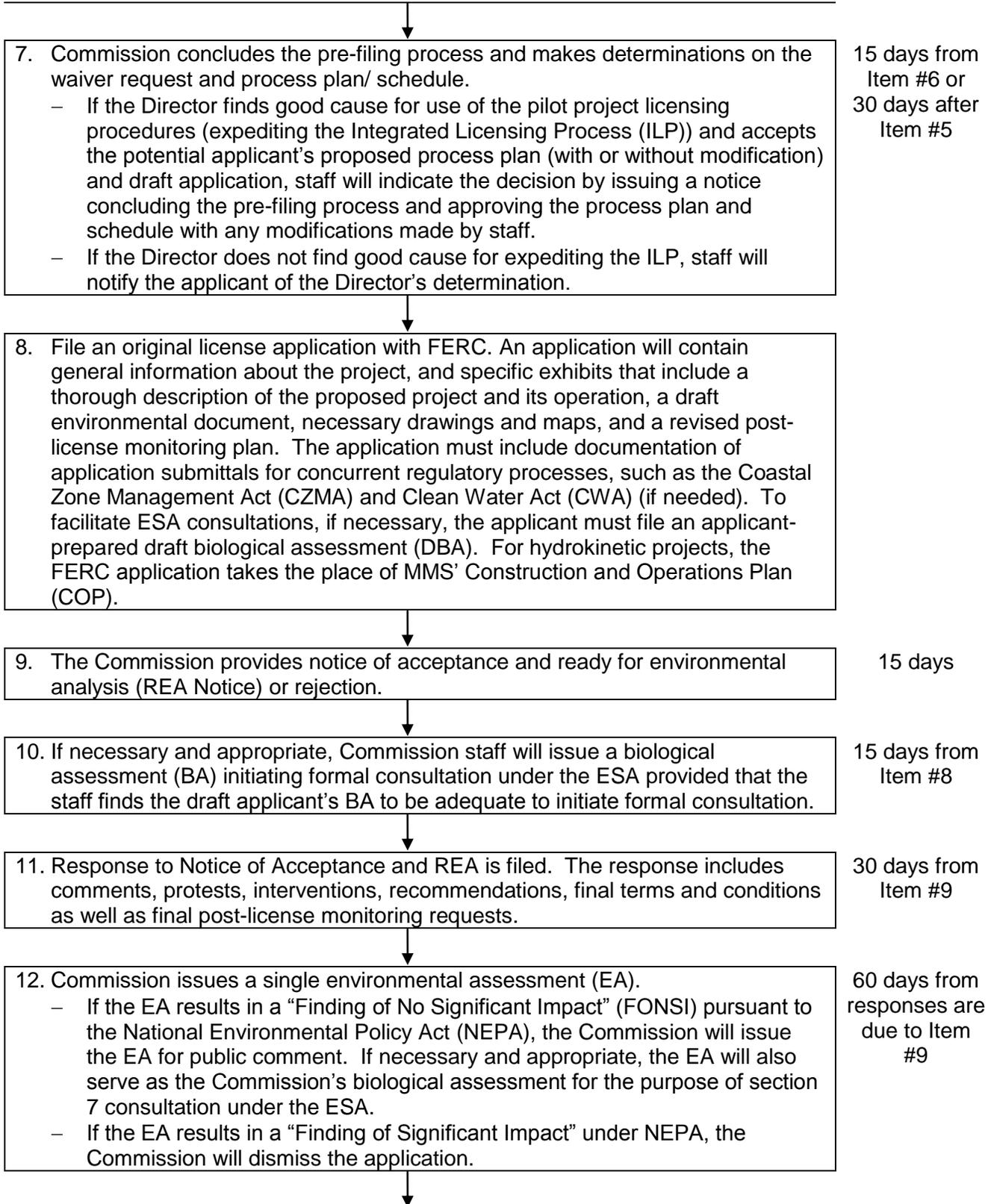
Notes:

- To be licensed as a pilot project, which is designed to allow testing of a hydrokinetic project, and to gather information on environmental and other effects of hydrokinetic devices, a proposed hydrokinetic project must be:
 1. Small;
 2. Short-term;
 3. Not located in sensitive areas based on FERC's review of the record;
 4. Removable and able to be shut down on short notice;
 5. Removed, with site restored, before the end of the pilot license term (unless a new license is granted); and
 6. Initiated by a draft application in a form sufficient to support environmental analysis.
- To apply for a license to construct and operate a hydrokinetic electric generation facility for up to 30 - 50 years, use one of three licensing processes (described in FERC Hydroelectric License Process Overview).
- In certain circumstances, limited testing may be conducted with a commercial MMS lease without a FERC license under the MMS Site Assessment Plan (SAP) if:
 1. The technology in question is experimental;
 2. The proposed facilities are to be utilized for a short period for the purpose of conducting studies necessary to prepare a license application; and
 3. Power generated from the test project would not be transmitted into or displaced from the interstate electric grid and would therefore not constitute "developing electric power" for purposes of the Federal Power Act (FPA).
- FERC does not have licensing authority to approve a project in a National Park or Monument located on the OCS. Depending on the individual authorization, FERC may be authorized to issue hydrokinetic licenses in National Marine Sanctuaries and Wildlife Refuges located on the OCS. Contact FERC with specific questions.
- A FERC license is required for both the OCS and State waters portion of a straddle project (projects that straddle the boundary dividing state waters and the OCS). FERC would prefer to license the entire project as a whole, which is feasible if the applicant consults with FERC and MMS early in the planning process.
- For more information on MMS/ FERC Guidance, see "MMS/ FERC Guidance on Regulation of Hydrokinetic Energy Projects on the OCS" at <http://www.boem.gov/Regulatory-Development-Policy-and-Guidelines/>
- For more information on preparing environmental assessments, see "Preparing Environmental Documents: Guidelines for Applicants, Contractors, and Staff", issued September 2008. <http://www.ferc.gov/industries/hydropower/gen-info/guidelines/eaguide.pdf>
- A license for a pilot project may be transitioned to a standard license. FERC will consider an application for a standard license as an application for relicense.
- For more information on hydrokinetic pilot projects, see "Licensing Hydrokinetic Pilot Projects" issued April 14, 2008. <http://www.ferc.gov/industries/hydropower/gen-info/licensing.asp>

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Steps	Time
<p>1. Obtain necessary approvals from MMS. FERC will not issue a license to a nonfederal applicant for a hydrokinetic project on the OCS unless the applicant holds a commercial lease from MMS.</p> <p>Competitive MMS Lease: A PAD may be filed with FERC at the same time the SAP is submitted to MMS (within 6 months of lease issuance) to enable the agencies to conduct joint public scoping, if appropriate. Applicants may proceed with licensing studies while MMS conducts its environmental review of the SAP, if necessary. Combining supporting documents should be discussed with MMS and FERC.</p> <p>Noncompetitive MMS Lease: The FERC application process may begin at any point following MMS' determination of no competitive interest. The PAD may be filed with FERC simultaneously with filing the SAP with MMS (within 60 days of MMS' determination), so that the agencies may conduct joint public scoping. Applicants may proceed with licensing studies while MMS conducts its environmental review of the SAP, if necessary.</p>	
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<p>2. Obtain necessary approvals from MMS. FERC will not issue a license to a nonfederal applicant for a hydrokinetic project on the OCS unless the applicant holds a commercial lease from MMS.</p>	
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<p>3. Distribute, notify, and file pre-application package. Pre-application package includes a waiver request (waivers necessary for expedited processing of a hydrokinetic pilot project license application), process plan, request for designation as non-federal representative (for purposes of consultation under Endangered Species Act (ESA) Section 7 and National Historic Preservation Act (NHPA) Section 106), Notification of Intent (NOI) and draft license application. Copies of these documents must be provided to the federal, state, and local resource agencies, non-governmental organizations, and members of the public potentially interested in the project.</p>	
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<p>4. Commission notices pre-filing process, through subscription and the Federal Register, with a docket number and a tentative pre-filing schedule.</p>	15 days from Item #3
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<p>5. Comment period on pre-application package.</p>	30-60 days from Item #3
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<p>6. FERC provides notice of a public meeting/ technical conference (if necessary).</p>	15 days after Item #5

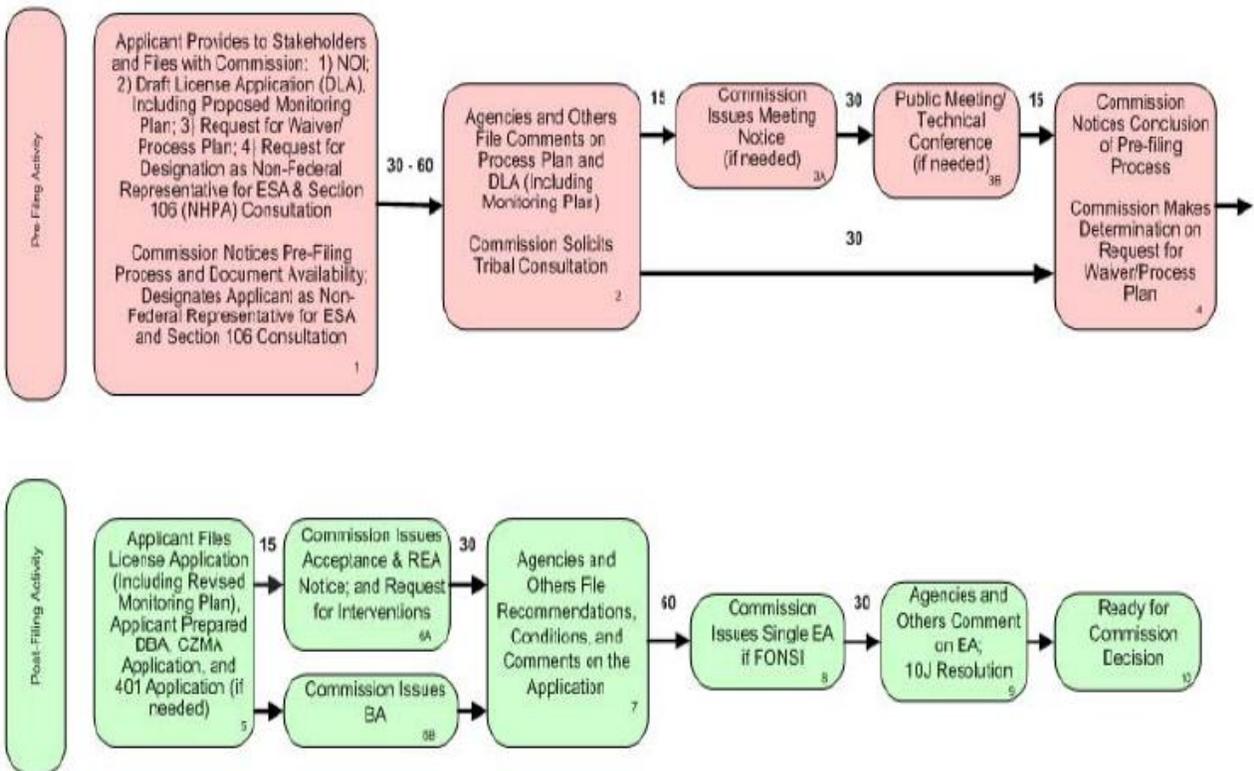
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13. Comment period on the single EA (including comments on the preliminary determination and mandatory terms and conditions).	30 days
14. The Commission makes final decision and either issues or denies license for the project.	
Total Time Period (minimum): 6 months	

Schematic of Hydrokinetic Pilot Project Licensing Procedures



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Fees	Amount	Maximum
<p>The lessee/licensee begins paying annual administrative and land charges to FERC either when project construction begins (for non-municipal entities) or when the project begins operating (for municipal entities). For all projects over 1.5 megawatts, including those on the OCS, FERC assesses administrative annual charges by dividing its calculated fiscal year program costs among all the licensees according to licensees' installed capacity.</p> <p>FERC collects FPA Part I costs of other federal agencies based on an allocated share of the other agencies' documented fiscal year program costs. For projects occupying federal land, FERC assesses onshore government lands charge on per-acre charges established by the Forest Service on a county-by-county basis. FERC does not have a method for assessing charges for off-shore land. For projects using a government structure, charges are set at a graduated rate. For projects that occupy tribal land, charges are set on a case-by-case basis.</p>	Varies	Varies
Total Fees:	Varies	Varies