



**US Army Corps
of Engineers**
St. Paul District

Information Paper

Miscellaneous: FERC Licensing



*Potential hydropower site, Lock and Dam 9, Eastman,
Wisconsin*

Contact

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Location/Description

Granting licenses for private hydropower development at Federal facilities falls within the purview of the Federal Energy Regulatory Commission (FERC). Private hydropower facilities currently in operation at St. Paul District sites include Xcel Energy at Upper St. Anthony Falls (Minneapolis, Minnesota), SAF Hydropower at Lower St. Anthony Falls (Minneapolis, Minnesota), Twin Cities Hydropower (aka Ford Hydropower) at Lock and Dam 1 (Minneapolis/St. Paul, Minnesota), and the city of Hastings Hydropower at Lock and Dam 2 (Hastings, Minnesota).

Background

FERC is responsible for issuing preliminary permits and licenses to private hydropower developers. A permit gives exclusive rights for 3 years to develop hydropower at a given location. The FERC permit holders are expected to coordinate with the Corps and other stakeholders during development of their draft licenses. At the end of 3 years, the developer must have conducted sufficient studies and coordination with interested parties to submit a draft license application to FERC. After review of the final license application,

FERC will conduct an environmental review prior to issuing a license. The Corps will conduct a Section 408 analysis, which is required for making modifications to a Corps structure. The Corps will also issue a Section 404 permit.

Status

In 1999, FERC granted a license to Crown Hydropower for a project at Upper St. Anthony Falls (Minneapolis, MN). FERC may revoke the license, because Crown has been unable to acquire the needed real estate interests from the Minneapolis Park and Recreation Board. Crown Hydropower is now proposing that the project be located on Corps land at Upper St. Anthony Falls. FERC has granted preliminary permits at Locks and Dams 5a (Winona, MN), 8 (Genoa, WI), 9 (Eastman, WI) and 10 (Guttenberg, IA). Applicants have withdrawn permits previously submitted at Locks and Dams 3 (Red Wing, MN), 4 (Alma, WI), 5 (Minnesota City, MN), 6 (Trempealeau, WI), 7 (La Crescent, MN), and a second permit at 9 (Eastman, WI).

The total estimated power capacity for all existing and proposed hydropower at Corps locks and dams in the St. Paul District is 134 megawatts, or approximately enough to power 117,000 households.

Authority

Licensing of hydropower facilities is governed by Part I of the Federal Power Act, 16 U.S.C. §§ 791(a) – 825(r). Licensing at Corps facilities is also governed by a 2010 Memorandum of Understanding between FERC and the Department of the Army. As part of this agreement, the licensee must provide free power to the Corps' facility. The Corps must provide written approval of the design before FERC will allow construction to begin.

Fiscal

A fixed amount, generally \$7,000 per year, is funded under the Investigations account for FERC-related administrative activities and permit review. Activities such as pre-licensing, coordination during construction and relicensing are funded under the Operation and Maintenance program, and these costs are reimbursed by the licensee to the U.S. Treasury through an annual charge by FERC.