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**Governor Signs Bipartisan Small Hydropower Reform Bill into Law**

*Continuing Colorado Leadership in Hydro Policy Innovation*

**Montrose, CO (May 31, 2014)** – Governor Hickenlooper was in Montrose, Colorado today to sign into law bipartisan legislation, HB14-1030, which will streamline development of new small hydropower in Colorado. The bill-signing took place at one of Colorado’s leading-edge new small hydroelectric projects, the South Canal Hydroelectric Plant, co-owned by local irrigation company, the Uncompahgre Water Users Association (UVWUA) and the Delta-Montrose Electric Association (DMEA).

“Last summer, federal permitting requirements for small hydro were streamlined thanks to Colorado legislators in Congress,” said Colorado Small Hydro Association (COSHA) President Kurt Johnson. “Thanks to leadership from Colorado legislators in Denver, today similar state-level streamlining legislation has become law in Colorado, further underscoring Colorado’s leadership in hydro policy innovation.”

Speakers at the bill-signing ceremony included:

* UVWUA Board President, George Etchart
* DMEA Board President, Nancy Hovde
* Colorado State Representatives, Diane Mitsch Bush (Dist. 26) and Don Coram (Dist. 58)
* Colorado Dept. of Agriculture Deputy Commissioner, Ron Carleton
* Colorado Energy Office Director of Policy and Legislation, Neal Kemkar
* Colorado Governor, John Hickenlooper

HB14-1030 developed from an October 10, 2013 Water Resources Review Committee hearing chaired by Senator Gail Schwartz. The bill was originally introduced in the House by Reps. Mitsch Bush and Coram, with additional sponsorship from Reps. Fischer, Sonnenberg, Vigil, Becker, Fields, Foote, Ginal, Labuda, Pettersen, Rankin, Rosenthal, Schafer, Scott, Williams, Young. In the Senate, the bill was originally introduced by Senators Schwartz and Roberts, with additional sponsorship from Hodge, Guzman, Heath, Jahn, Johnston, Jones, Kefalas, Kerr, Newell, Nicholson, Steadman, and Ulibarri.

The bipartisan bill was unanimously approved by the House Transportation and Energy Committee on February 5th and subsequently passed the House.

On March 13, the bill was unanimously approved by the Senate Committee on Agriculture, Natural Resources and Energy. Witnesses testifying in support of the bill on March 13th included representatives from the Colorado Energy Office, the International Brotherhood of Electrical Workers, Delta Conservation District, American Rivers, the Colorado Rural Electric Association and the Colorado Small Hydro Association.

“HB14-1030 cuts red tape for small hydro development, helping to accelerate job creation in rural Colorado,” said Rep. Don Coram.

The new Colorado hydro reform bill follows in the footsteps of federal hydro streamlining legislation which was approved in Washington, DC last summer: the Hydropower Regulatory Efficiency Act introduced by Rep. Diana DeGette (D-Denver) and the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act introduced by Rep. Scott Tipton (R-Cortez) were unanimously approved and signed into law by President Obama in August of 2013.

“HB14-1030 will help create new clean energy and new jobs,” said Rep. Mitsch Bush, “it’s a win-win for rural Colorado’s economy and the environment.”

The new law directs the Colorado Energy Office to facilitate hydro project review by Colorado state agencies in a timely manner commensurate with federal agency timelines, making it possible for a project applicant to simultaneously clear federal and state review as quickly as 60 days for non-controversial small hydro projects.

“HB14-1030 streamlines state environmental review for small hydro projects without weakening or changing any underlying state environmental requirements,” said Matt Rice, Colorado Conservation Director for American Rivers.

The residents of Delta and Montrose Counties are already realizing the benefits of hydroelectric power through the South Canal Project. The project offsets the cost of power especially during hot summer months when power is in high demand and the price goes up. “Considering the extremely low financing rate made available to us through Clean Renewable Energy Bonds CREBS,” said DMEA Board President, Nancy Hovde. “The system should service the debt in under 20 years. After that debt is paid, it’s going to be the cheapest power that we would likely have access to.”

The new bill also streamlines the electrical inspection process for small hydro by specifying the National Electrical Code (NEC) standards that electricians and inspectors should be guided by when installing small hydro, following in the footsteps of streamlined procedures that apply for small wind generators.

Colorado currently has hundreds of hydro-related jobs, a number that has the potential to grow. The National Hydropower Association has estimated 5.3 jobs created per megawatt of new hydro construction. COSHA estimates approximately 100 MW of potential new hydro development in Colorado, which would mean approximately 500 new jobs created in Colorado, including jobs for developers, engineers and financiers as well as concrete workers, plumbers, carpenters, welders and electricians.

In January, the Colorado Department of Agriculture announced the results from an agricultural hydropower assessment. The report highlighted pressurized irrigation as the most cost effective near-term opportunity for agricultural hydropower development. The statewide untapped capacity estimate of pressurized irrigation systems is approximately 30 MW - most all of which could be cost-effectively developed.

“Energy can be a significant operational cost for Colorado agricultural producers,” said Colorado Department of Agriculture Deputy Commissioner Ron Carleton. “Agricultural hydropower can help Colorado agricultural producers to reduce energy costs by powering their operations with hydropower rather than electricity or diesel.”

The new Colorado hydro streamlining legislation builds upon Colorado’s history of leadership in hydropower policy Innovation:

* Colorado was the first state to sign a Memorandum of Understanding with the Federal Energy Regulatory Commission to expedite small hydro approval.
* Colorado was the first state to prepare a small hydropower handbook.
* Colorado modified an existing water infrastructure loan program at the Colorado Water Conservation Board (CWCB) to make low-interest loan financing available for small hydro construction. The new 8-megawatt Tri-County Water hydro project at Ridgway Dam, made possible by low-interest loan financing from CWCB, is being formally commissioned on June 6th at 1 PM.
* Colorado is the first state to complete an agricultural hydropower resource assessment.

“Colorado’s innovation in hydro policy is serving as a model for other states nationwide,” concluded COSHA President Kurt Johnson

“One of the greatest benefits of HB14-1030 is that it has the potential to enable more local, distributed generation to become a reality,” said DMEA Board President, Nancy Hovde. “I believe this is the future for electric utilities, and I am excited to be here today as the Governor signs this bill into law and starts the distributed generation “revolution” that I am confident is coming!”

About the Colorado Small Hydro Association (COSHA)

The Colorado Small Hydro Association is dedicated to accelerating development of small hydro in Colorado. COSHA recently hosted a series of agricultural hydropower workshops across the state. Additional information is available on the COSHA website at [www.smallhydro.co](http://www.smallhydro.co).

About the Delta Montrose Electric Association (DMEA)

Delta-Montrose Electric Association (DMEA) was originally founded in 1938. DMEA is a nonprofit corporation, owned by the consumers it serves. It serves approximately 35,000 residential, commercial and industrial meters on over 3,000 miles of cooperative owned distribution line.

About the Uncompahgre Valley Water Users Association (UVWUA)

The Uncompahgre Valley Water Users Association (UVWUA) was formed from several of the original canal companies of the Uncompahgre Valley, comprising over 110 ditches and 475 miles of canals. After the completion of the historic Gunnison Tunnel which brought water from the Gunnison River to the valley, the UVWUA accepted control of the project from the federal government, and has operated it ever since.

About the South Canal Hydroelectric Project

The fast flowing water in the South Canal comes through the 5.8 mile Gunnison Tunnel, completed in 1909 and opened by our nation’s 27th president, William Howard Taft. Even then, the potential to generate electricity resulting from the project was noted by the media of the day. A reporter from the *New York Times* wrote on August 22, 1909:

“The water, after it leaves the tunnel, will have 372 feet fall, which can be used to generate electric power sufficient to light every town and every farmhouse in the Uncompahgre Valley and provide power for all kinds of commercial and industrial purposes.”

The new South Canal hydroelectric project supplies enough clean electricity to power 3000 average homes in the area. The project also makes additional use of an existing water resource, thereby strengthening the existing water right. It provides needed income to UVWUA to pay maintenance and irrigation costs while providing a source of lower cost electricity to DMEA’s members. It boosts the local economy with about $2 million in annual power cost savings.

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