Going Deep: Challenges for Hydrokinetic Renewable Energy Deployment

Seth Kaplan
Vice President for Policy and Climate Advocacy, Conservation Law Foundation
Pace Law School Conference
March 2, 2012
Issues common to all renewable energy generation (some common to generation & all resources)

Credit market “changes”
Impact of low Gas prices

Incoherent Energy/Climate/Environmental Policy: Congress worst, states inconsistent

New tech issues: cost, fear of new, lack of experience

Unique Issues

No Ocean Planning (yet)

Will regulation remain with FERC?
Resource best in problematic places
Natural Gas (and wholesale electric) prices are half of March 2003 level adjusted for inflation (oil is more than 3X higher)

Some good news from the states: Contracts, RPS, etc

Fundamental context of renewable energy development here & now

ISO-NE Chart

Credit markets

Federal Policy failure: PTC, Carbon, etc . . .

Underlying natural gas data furnished by:

ice: global markets in clear view
Specific Offshore Renewable issues

New technology (like offshore renewable energy) must deal with industry learning curve, this is a special challenge in the energy context because of nature of infrastructure (BIG) & role in society.

Few states have tailored leasing/licensing in place and while Feds are making great progress the lack of comprehensive Ocean Planning is a problem.

Unique siting and permitting challenges: delicate stakeholder & resource issues.

From energy perspective – tremendous opportunity (predictable, zero emissions, renewable) but very real challenges: rules will need to be written and markets modified to recognize full value and nature of these new resources.
The right regulator?

- FERC has core mission of electric and gas system regulation, but has historic role regarding hydroelectric power

- May be appropriate for hydrokinetic to stay under its oversight – but, as with offshore wind, actual project development may spur review of who is right regulator and advent of Ocean Planning could also cause reexamination

- Concerns about FERC current process – speed has been a concern for developers (but not an issue unique to FERC !) and communities and advocates have been concerned about lack of broad area-wide review and openness (has come up in LNG context), but these concerns can be addressed in a number of ways
  - The “area wide” issue might be addressed by a Programmatic EIS (as BLM has done for solar) or a “Call / RFI” process like BOEM/DOT is doing for offshore wind