

**CHAPTER 47—SMALL HYDROELECTRIC
POWER PROJECTS**

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§ 2701. Establishment of program

The Secretary shall establish a program in accordance with this chapter to encourage municipalities, electric cooperatives, industrial development agencies, nonprofit organizations, and other persons to undertake the development of small hydroelectric power projects in connection with existing dams which are not being used to generate electric power.

(Pub. L. 95-617, title IV, §401, Nov. 9, 1978, 92 Stat. 3154.)

REFERENCES IN TEXT

The Secretary, referred to in text, means the Secretary of Energy, see section 2602(14) of this title.

PROMULGATION OF IMPLEMENTING RULES AND REGULATIONS

Pub. L. 96-294, title IV, §408(d), June 30, 1980, 94 Stat. 718, provided that: "The Secretary shall take such action as may be necessary to assure the establishment, as soon as possible after the date of the enactment of this Act [June 30, 1980] (and in any event within six months after such date in the case of the amendments made by subsections (a) and (c) of this section and in the case of the loan program under section 403 of the Public Utility Regulatory Policies Act of 1978) [amending section 2708 of the title, and section 2703 of this title respectively], of such rules and regulations as may be necessary to fully implement his responsibilities under title IV of the Public Utility Regulatory Policies Act of 1978 [this subchapter] and the amendments thereto made by this section [amending sections 2705 and 2708 of this title]".

§ 2702. Loans for feasibility studies

(a) Loan authority

The Secretary, after consultation with the Commission, is authorized to make a loan to any municipality, electric cooperative, industrial development agency, nonprofit organization, or other person to assist such person in defraying up to 90 percent of the costs of—

(1) studies to determine the feasibility of undertaking a small hydroelectric power project at an existing dam or dams and

(2) preparing any application for a necessary license or other Federal, State, and local approval respecting such a project at an existing dam or dams and of participating in any administrative proceeding regarding any such application.

(b) Cancellation

The Secretary may cancel the unpaid balance and any accrued interest on any loan granted pursuant to this section if he determines on the basis of the study that the small hydroelectric power project would not be technically or economically feasible.

(Pub. L. 95-617, title IV, §402, Nov. 9, 1978, 92 Stat. 3154.)

REFERENCES IN TEXT

The Secretary, referred to in text, and the Commission, referred to in subsec. (a), mean the Secretary of Energy and the Federal Energy Regulatory Commission, respectively, see section 2602(3), (14) of this title.

§ 2703. Loans for project costs

(a) Authority

The Secretary is authorized to make loans to any municipality, electric cooperative, industrial development agency, nonprofit organization, or other person of up to 75 percent of the project costs of a small hydroelectric power project. No such loan may be made unless the Secretary finds that—

(1) the project will be constructed in connection with an existing dam or dams,

(2) all licenses and other required Federal, State, and local approvals necessary for construction of the project have been issued,

(3) the project will have no significant adverse environmental effects, including significant adverse effects on fish and wildlife, on recreational use of water, and on stream flow, and

(4) the project will not have a significant adverse effect on any other use of the water used by such project.

The Secretary may make a commitment to make a loan under this subsection to an applicant who has not met the requirements of paragraph (2), pending compliance by such applicant with such requirements. Such commitment shall be for period¹ of not to exceed 3 years unless the Secretary, in consultation with the Commission, extends such period for good cause shown. Notwithstanding any such commitment, no such loan shall be made before such person has complied with such requirements.

(b) Preference

The Secretary shall give preference to applicants under this section who do not have available alternative financing which the Secretary deems appropriate to carry out the project and whose projects will provide useful information as to the technical and economic feasibility of—

(1) the generation of electric energy by such projects, and

(2) the use of energy produced by such projects.

(c) Information

Every applicant for a license for a small hydroelectric power project receiving loans pursuant to this section shall furnish the Secretary with such information as the Secretary may require regarding equipment and services proposed to be used in the design, construction, and operation of such project. The Secretary shall have the right to forbid the use in such project of any equipment or services he finds inappropriate for such project by reason of cost, performance, or failure to carry out the purposes of this section. The Secretary shall make information which he obtains under this subsection available to the

¹ So in original. Probably should be "for a period".