



OCEAN RENEWABLE ENERGY COALITION

The National Trade Association for Hydrokinetic and Marine Renewables

MHK Talking Points

1. INCREASE FEDERAL FUNDING FOR MHK RESEARCH & DEVELOPMENT

- a. DOE and U.S. Navy funding support help technology developers survive the “valley of death” related to financing their operations—public investment, which reduces technical uncertainty, often guides or directs private sector investment to areas of the public good, such as clean energy technologies like MHK.
- b. MHK received \$34 million out of the \$48 million Water Power program FY2010 budget.
- c. MHK is proposed to receive only \$17.8 million out of the \$38.5 million Water Power program FY2012 Presidential Budget Request.

2. LEVEL PLAYING FIELD WITH LONG TERM INVESTMENT INCENTIVES

- a. Accelerated depreciation has been available since 1996 for wind, solar, biomass, and two ocean thermal projects. However, the five-year Modified Accelerated Cost Recovery (MACR) provision does not yet extend to other marine renewable and hydrokinetic technologies. The five-year depreciation helps deal with one of the greatest economic challenges of new and emerging technologies in that it helps write down a project’s capital costs.
- b. MHK needs full Production Tax Credit (PTC) parity on par with other renewable energy technologies, instead of the half-credit currently provided to MHK technologies.

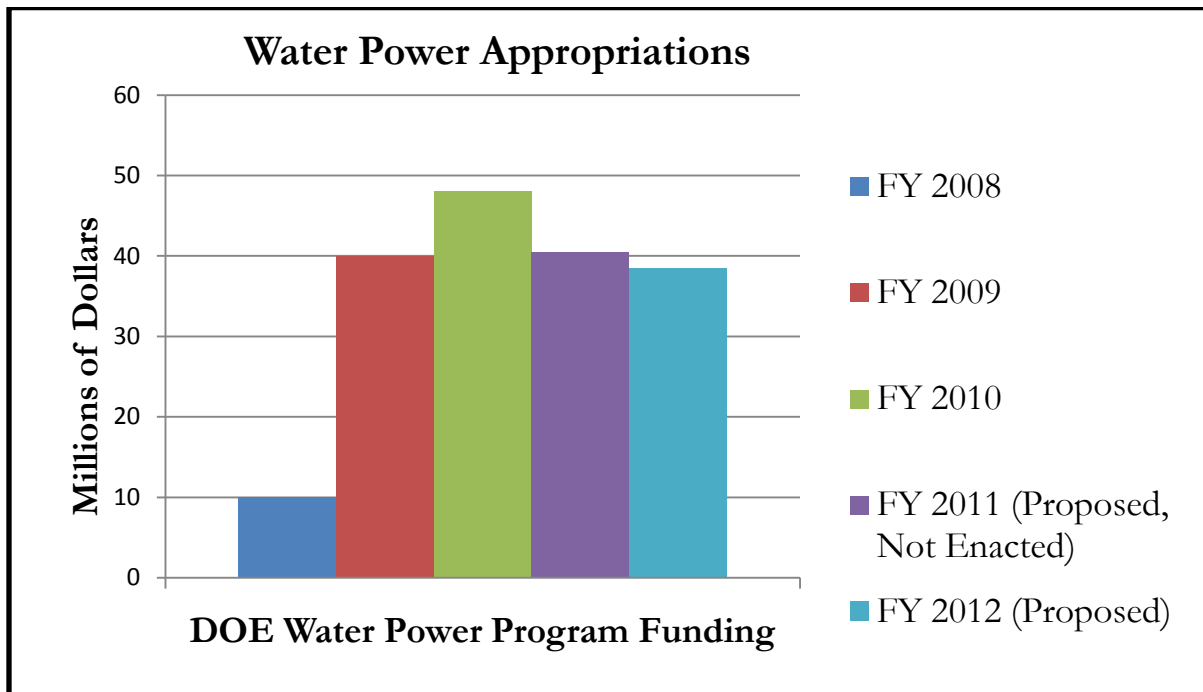
3. CREATE PERMITTING PROCESS EFFICIENCIES WITH COORDINATION ACROSS AGENCIES & APPROPRIATE EXEMPTIONS FOR SMALL SCALE PILOT PROJECTS

4. ENSURE A TIMELY & FAIR REGULATORY FRAMEWORK FOR MHK TECHNOLOGIES (MARINE SPATIAL PLANNING)

MHK Budget Overview

Analysis – FY 2012 is the first year since the program’s inception that MHK is targeted for less funding than conventional hydropower, and by a considerable margin. MHK, on average, has been funded by about a 3-to-1 margin compared to conventional hydro activities since FY 08. Funding for the Water Power Program is also down by 33% compared to FY 10 activities.

The total proposed FY 2012 EERE budget for renewable energy (solar, wind, geothermal, water power, hydrogen and fuel cells, biomass) is \$1,164,844,000. The FY 12 MHK proposed funding level of \$17.8 million in the Water Power Program’s budget accounts for only 1.5% of the total renewable energy budget, and yet has the potential to provide 10% of the U.S.’s current electricity consumption.



FY 2012 - \$38.5 million (proposed), \$37.4M outlined

- Conventional hydro will receive \$19.6M, while MHK will receive \$17.8 out of the \$38.5 million total.
- The proposed split is 51% of the total \$38.5M for conventional v. 46% of the total \$38.5M for MHK.

FY 2010 – \$48 million

- Conventional hydro received \$14M, while MHK received \$34M out of the \$50M total.
- The split was 32% for conventional v. 68% of total funding for MHK.

FY 2009 – \$39.08 million

- Conventional hydro received \$9.62M, while MHK received \$29.47M out of the \$39M total.
- The split was ~25% for conventional v. ~75% of total funding for MHK.

FY 2008 - \$10 million

- Conventional received \$2.7M, while MHK received \$7.3M for “Advanced Water Power Projects.”
- The split was 27% for conventional v. 73% of totally funding for MHK.