



**Federal Energy Regulatory Commission**  
**December 20, 2007**  
**Open Commission Meeting**  
**Statement of**  
**Commissioner Suedeen G. Kelly**

**Item H-1, AquaEnergy Group Ltd. (Docket No. P-12751-000)**

"In the 4 years I have been at the Commission, I have had the good fortune to be involved in a number of exciting advances in the energy sector. It is hard to imagine a more dynamic time to be here. In my view, the advent of hydrokinetics ranks right up there as one of the most exciting developments.

Think about it: prior to 2004, the Commission had not one application for a preliminary permit or license application for the development of a hydrokinetic project. Today, there are some 88 pending and issued permits, and an equal number of pending permits for in-river projects.

This is, of course, an emerging technology, and there are still many questions to be answered. Today's order helps meet the twin goals of moving forward the development of these new technologies, yet doing so in a manner that ensures that we are collecting valuable information that can be incorporated into future projects. Importantly, we will also ensure that the development of the Makah Bay project will be monitored for any unacceptable impacts that would require the cessation of the project.

The benefits of hydrokinetics are enormous. According to the Electric Power Research Institute, the potential for energy in our nation's oceans is over 350 billion kilowatt hours per year, which is double the hydropower production of the current national total. I think we can all agree that they are potentially an important component of this country's energy portfolio.

I agree with my colleagues comments today, and would like to specifically echo their comments on the conditional aspect of today's license order: the resource agencies will have none of their authorities limited in any way, nor can the licensee undertake any construction activities until the resource agencies act accordingly. Of course, we do hope and expect that all stakeholders—and that includes the Commission—will work together in a cooperative manner to facilitate the development of hydrokinetic projects.

I have always thought that a hallmark of this Commission is its commitment to meeting the ever-evolving challenges and opportunities facing the hydroelectric licensing process. Today's order takes a significant step to that end, and I am pleased to vote this order out."