

143 FERC ¶ 62,189  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

PPL Holtwood, LLC

Project No. 1881-079

ORDER CERTIFYING AND RE-CERTIFYING INCREMENTAL HYDROPOWER  
GENERATION FOR PRODUCTION TAX CREDIT

(Issued June 13, 2013)

1. On March 15, 2013, and supplemented on April 19, 2013, PPL Holtwood, LLC, licensee for the Holtwood Hydroelectric Project, FERC No. 1881, filed a request for certification for a renewable energy production tax credit due to the replacement of turbines for Units 1, 2, and 4, with upgraded designs to the existing station. These upgrades were authorized by the Commission in an October 30, 2009 Order Amending License and Revising Annual Charges.<sup>1</sup> Unit 1 was placed in service on May 2, 2012 and Unit 2 was placed in service on July 1, 2012. The Unit 4 turbine replacement is expected to be placed in service by December 31, 2013. The licensee has made this filing pursuant to Internal Revenue Service Code section 45.<sup>2</sup> The Holtwood Project is located on the Susquehanna River in Lancaster and York counties, Pennsylvania.

2. In addition, the licensee is requesting re-certification for a renewable energy production tax credit, for Units 18 and 19, which was originally approved by the Commission on August 9, 2012, in the Order Certifying Incremental Hydropower Generation for Production Tax Credit (August 2012 Order).<sup>3</sup> At the time of the August 2012 Order, Units 18 and 19 were expected to be placed in service by May 31, 2013. Unanticipated delays in construction pushed the in service dates of Units 18 and 19 to July 31, 2013. Therefore, based on calculations that take into account the incremental generation of Units 1, 2, and 4, the licensee has revised the incremental generation for the combination of Units 18 and 19 downward from the 61.7 percent determined in the August 2012 Order to 60.4 percent, as shown below in ordering paragraph (A). This order supersedes the August 2012 Order.

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<sup>1</sup> *PPL Holtwood, LLC*, 129 FERC ¶ 62,092 (2009).

<sup>2</sup> I.R.C. § 45 (2000).

<sup>3</sup> *PPL Holtwood, LLC*, 140 FERC ¶ 62,111 (2012).

3. Section 1301(c) of the Energy Policy Act of 2005 (EPAAct)<sup>4</sup> amended section 45 to apply the tax credit to incremental production gains from efficiency improvements or capacity additions to existing hydroelectric facilities placed in service after August 8, 2005, and before January 1, 2014.<sup>5</sup> Under EPAAct section 1301(c), the Commission is required to certify the “historic average annual hydropower production” and the “percentage of average annual hydropower production at the facility attributable to the efficiency improvements or additions of capacity” placed in service during that time period. Based on the above, we are issuing this certification order.

The Director orders:

(A) Based on our review of the information provided by the licensee, we certify the following:

Type of Improvement	Additional Capacity Due to Installing New Turbine Generating Unit 1	Additional Capacity Due to Installing New Turbine Generating Unit 2	Additional Capacity Due to Installing Two New Turbine Generating Units 18 & 19	Additional Capacity Due to Installing New Turbine Generating Unit 4
Date of Operation	May 2, 2012	July 1, 2012	July 31, 2013	December 31, 2013
Historical Generation Baseline (kWh)	613,244,000	614,996,000	626,607,000	1,005,097,000
Generation with Improvements (kWh)	614,996,000	626,607,000	1,005,097,000	1,013,748,000
Incremental Generation (kWh)	1,752,000	11,611,000	378,490,000	8,651,000
Percentage of Generation Due to Improvements (%)	0.29	1.89	60.4	0.86

<sup>4</sup> Pub. L. No. 109-58 § 1301, 119 Stat. 594, (2005), Pub. L. No. 109-432 Title II §201, 120 Stat. 2922, (2006), and Pub. L. No. 110-343, Div. B, Title I, (2008), and Pub. L. No. 111-5, Div B, Title I, §1101, (2009).

<sup>5</sup> Section 407 (a)(3)(E) of H.R.8 “American Taxpayer Relief Act of 2012”, amended IRC § 45 (d), paragraph (9), such that an efficiency improvement or addition to capacity shall be treated as placed in service before January 1, 2014, if the construction of such improvement or addition begins before such date.

(B) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2006), and the Commission's regulations at 18 C.F.R. § 385.713 (2012). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Kelly Houff  
Chief, Engineering Resources Branch  
Division of Hydropower Administration  
and Compliance