

**Written Statement of Jay Anders
Chief Operating Officer for Rye Development**

**Joint Hearing of the PA Senate Environmental Resources & Energy Committee
PA Senate Labor & Industry Committee to Discuss**

**Hearing on The Importance of Pennsylvania Waterways to Energy and Economic
Development**

October 14, 2022

Background

Honored members of both Senate committees, I am grateful for the opportunity to submit written comments and be with you today to speak on the importance of the economic and energy benefits of Pennsylvania's waterways. This topic is critically important for communities across the Commonwealth from both an economic opportunity and energy benefits perspective.

My name is Jay Anders and I am the COO of Rye Development (Rye) and I am here on behalf of Paul Jacob our CEO. Rye is the leading developer of new, low-impact hydropower in the U.S. with a current pipeline of over 25 projects in 10 states. Rye is committed to the responsible development of untapped hydropower resources while maintaining rivers' balance of environmental and commercial requirements. Rye brings communities around the country sustainable infrastructure, job creation, and a local source of renewable, non-consumptive energy.

Sustainable Infrastructure

The Commonwealth of Pennsylvania and in particular the southwestern part of the state is a flagship location for Rye. Within the Pittsburgh region, Rye has successfully received Federal Energy Regulatory Commission (FERC) licenses to construct new hydropower on eight U.S. Army Corps of Engineers' (USACE) existing lock and dam structures. Of these eight sustainable infrastructure projects, three will break ground over the next 12-24 months. Rye is proud to have formal partnerships in place with both Allegheny County and the University of Pittsburgh to supply renewable energy from local sources in the coming years.

When constructed, these facilities will generate around-the-clock renewable power for Pennsylvania's citizens for no less than 80-100 years. In essence, Rye is proposing to remove a piece of existing dam structures on either the Monongahela, Allegheny or Ohio Rivers and retrofit these structures with low-impact, run-of-river hydropower. Rye's proposed projects do not affect the existing lock and dam functionality and in fact represent an investment in these critical pieces of infrastructure for generations to come.

Job Creation

From an economic development perspective, each one of Rye's projects will create 150-200 family wage jobs over a roughly 3-year construction timeline. When realized, Rye's portfolio represents over \$800 million in new investment in Pennsylvania. Additionally, Rye's projects will create renewable energy projects that utilize local supply chains for labor, concrete, and

steel. Hydropower is uniquely situated in the renewable space because of the incredible amount of economic development it provides to local communities. It is domestic in its supply chains and creates long-term, high paying jobs – in addition to the large numbers of high-paying construction jobs during construction.

Local Sources

There are 90,000 dams in the U.S. and about 3% of those structures generate electricity. As the electrical grid rapidly changes, how we generate power is also rapidly changing. Too often this transition is prescriptive and does not account for local competitive advantages as well as political realities in a given city, or state. Rye is developing both new hydropower and energy storage across the U.S. and in each community that we work in, we attempt to bring a tailored approach to renewable energy.

Rye has looked for the best new hydropower projects across the country and is certain that the waterways in the Commonwealth are uniquely positioned. No other location has 1) the predictable and significant amount of water needed to create the size of facility worth investing in, 2) as many well-maintained existing structures – thanks to the USACE Pittsburgh District office – to build on, 3) a collection of willing partners both with regards to labor and energy, and 4) is located at such a critical point in the electrical grid.

These qualities position Pennsylvania to be a leader in a holistic approach to renewable energy – one that leverages regional strengths both from a labor and natural resources perspective. One that includes an all-of-the-above approach that preserves the affordability and reliability of the existing grid while at the same time taking full advantage of the economic and energy benefits of the local waterways.

Conclusion

Pennsylvania is blessed with an incredible amount of water with well-planned and managed waterways that move commerce across the eastern U.S. This set of circumstances makes it well positioned to also leverage its waterways and dams for new hydropower projects. These projects – like Rye is proposing – invest in existing infrastructure to ensure the reliability, affordability, and renewable energy future for all Pennsylvanians.

Rye understands the importance and value in developing the economic and energy benefits of the local waterways in a sustainable fashion. Our team continues to advance these exciting projects in the region and thanks the committees for hosting this hearing on what we believe is an incredibly important topic.