

Testimony of Kevin Garlick

Energy Director, Provo City Power, Provo UT

Hearing on H.R. 6060, the Endangered Fish Recovery Programs Extension Act

before

House Water and Power Subcommittee

U.S. House of Representatives

July 10, 2012

Chairman McClintock, Ranking Member Napolitano, Members of the Subcommittee, I am pleased to be here today to testify on behalf of Provo City Power and the Colorado River Energy Distributors Association (CREDA) on H.R. 6060, the Endangered Fish Recovery Programs Extension Act.

Provo City Power is a not-for profit, municipally-owned electric utility that serves approximately 35,000 retail electric customers in Provo, Utah.

CREDA is a non-profit organization that represents consumer-owned electric systems that contract for the delivery of federal hydropower from the Colorado River Storage Project (CRSP), transmitted over the federal transmission system of the Western Area Power Administration (WAPA). The CRSP includes several dams and reservoirs that provide municipal and industrial (M&I) and irrigation water supplies and generate clean, renewable hydropower for over 5 million consumers in six western states.

CREDA members are all non-profit organizations, serving over four million electric consumers in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. Members include political subdivisions - like Provo City Power - electric cooperatives, state agencies, municipalities and tribal utilities.

CREDA members (listing attached) purchase over 85 percent of the CRSP hydropower generation, the revenues from which are a primary funding source of the Upper Colorado River and San Juan River Endangered Fish Recovery Implementation Programs (Recovery Programs). CREDA has been an active participant in these Recovery Programs since their authorization.

The Recovery Programs provide Endangered Species Act (ESA) compliance for over 2,320 water projects that withdraw about 3.7 million acre feet of water annually. The goals of the programs are to recover four endangered fish species – the humpback chub, razorback sucker, bonytail chub and the Colorado pikeminnow – while continuing operations and development of water projects in the Upper Colorado River and San Juan River basins, and operation of the Flaming Gorge Dam and Aspinall Unit facilities of the Colorado River Storage Project (CRSP.)

THE COLORADO RIVER STORAGE PROJECT (CRSP)

The CRSP was authorized in the Colorado River Storage Project Act of 1956 (P.L. 485, 84th Cong., 70 Stat. 50), as a multi-purpose federal project that provides flood control and water storage for irrigation, municipal and industrial purposes, in addition to the generation of hydropower. The operations of two of CRSP's features – Flaming Gorge Dam and the Aspinall Unit – are affected by decisions relating to recovery of the endangered species in the Upper

Colorado and San Juan Basins. Since the early 1990's, as part of the Recovery Program, studies have been undertaken to determine endangered fish needs in this regions and operations of the dams have been adjusted.

Flaming Gorge Dam is on the Green River, a major tributary of the Colorado River, and is located near Vernal, Utah. Flaming Gorge has three units producing about 152 MW of generation. In 2007, the Bureau of Reclamation (Reclamation) finished an environmental impact states and issued a Record of Decision on the operations of Flaming Gorge Dam, which is intended to assist in recovery of the endangered fish species.

Changes in the operation of the Flaming Gorge generating units were estimated in the EIS to impact CRSP hydropower generation by \$118.7 million over a 25-year period.

The Aspinall Unit includes three dams and generating units along the Gunnison River near Gunnison, Colorado. Blue Mesa is the first dam on the river and has two generating units producing about 97 MW. Morrow Point is the second dam in the series and consists of two generators producing a total of 146 MW. Crystal is the final dam and has one 32 MW generator. Morrow Point and Crystal Reservoirs allow some regulation of the river flow so that releases from Crystal can be used to regulate downstream flows as necessary.

Reclamation completed an Environmental Impact Statement on the operation of the Aspinall Unit, and issued a Record of Decision on May 3, 2012. The changed operations are intended to assist in the recovery of endangered fish species while maintaining the authorized purposes of the Unit, and will result in impacts to CRSP hydropower generation.

HISTORY OF THE RECOVERY PROGRAMS

The Recovery Programs were established through Cooperative Agreements among the Upper Basin States of Colorado, Utah, New Mexico and Wyoming and federal agencies in 1988 (Upper Colorado) and 1992 (San Juan) for an initial 15-year period to help recover four species of endangered fish in the two river basins. In August 2009, the Cooperative Agreements were extended through 2023.

In October 2000, Congress passed legislation (P.L. 106-392) which authorized a \$100 million capital improvements program. The legislation required "matching funds" for the capital program so that, in the event State funding for the program ceased, so too would power revenue funding.

CREDA testified in support of this legislation in both the House and Senate. The legislation also had the support of the Upper Basin States, federal agencies and some environmental groups.

The 2000 law also authorized the use of CRSP power revenue funding for “base funding” of activities including operation and maintenance of capital features, and recovery actions other than capital projects, including monitoring and research, and program management.

The law states that, *“The utilization of power revenues for annual based funding shall cease after fiscal year 2011, unless reauthorized by Congress; except that power revenues may continue to be utilized to fund the operation and maintenance of capital project and monitoring.”*

This partial sunset reduced the availability of annual power revenue funding from approximately \$7.5 million to approximately \$4.0 million per year. The shortfall of approximately \$3.5 million may eliminate several ongoing annual activities (such as research and non-native fish control) needed to maintain ESA compliance.

To date, CRSP power revenues have provided over \$79.7 million of annual, or “base”, funding.

Need for H.R. 6060

CREDA has been an active participant in the Recovery Programs since their inception, and believes that the programs are an excellent model of federal/non-federal collaboration. Efforts towards endangered fish recovery have had success and continue, but recovery has not been achieved.

In order for there to be a reliable, certain source of funding for annual “base” funding, H.R. 6060 would extend the authorization for the Upper Colorado and San Juan Recovery Programs through FY 2019, at current levels.

As under current law, after 2019 use of annual base funding would be limited to operation and maintenance of capital projects and monitoring.

H.R. 6060 would also make the following changes in the program:

- Require a report by the Secretary of the Interior in FY 2018 regarding the status of the species and the use of power revenues for base funding, in order to provide Congress with more timely information;
- Limit the overhead rate applied to funds transferred to the U.S. Fish & Wildlife Service from federal agencies to 3%; and
- Limit the use of federal funds by Department of Interior staff to travel to locations other than their duty station to advocate for the program.

Provo City and CREDA continue to support the Recovery Programs and urge passage of H.R. 6060.

**COLORADO RIVER ENERGY DISTRIBUTORS ASSOCIATION (CREDA)
MEMBERSHIP**

ARIZONA

Arizona Municipal Power Users Association
Arizona Power Authority
Arizona Power Pooling Association
Irrigation and Electrical Districts Association of Arizona, Inc.
Navajo Tribal Utility Authority
(also New Mexico, Utah)
Salt River Project

COLORADO

Colorado Springs Utilities
Intermountain Rural Electric Association
Platte River Power Authority
Tri-State Generation & Transmission Cooperative
(also Nebraska, Wyoming and New Mexico)
Yampa Valley Electric Association, Inc.

NEVADA

Colorado River Commission of Nevada
Silver State Electric Association

NEW MEXICO

Farmington Electric Utility System
Los Alamos County
Tri-State Generation & Transmission Cooperative
City of Truth or Consequences

UTAH

City of Provo
City of St. George
South Utah Valley Electric Association
Utah Associated Municipal Power Systems
Utah Municipal Power Agency

WYOMING

Wyoming Municipal Power Agency

Upper Colorado River Endangered Fish Recovery Program Partners

- State of Colorado
- State of Utah
- State of Wyoming
- Bureau of Reclamation
- Colorado River Energy Distributors Association
- Colorado Water Congress
- National Park Service
- The Nature Conservancy
- U.S. Fish and Wildlife Service
- Utah Water Users Association
- Western Area Power Administration
- Western Resource Advocates
- Wyoming Water Association

San Juan River Basin Recovery Implementation Program Partners

- State of Colorado
- State of New Mexico
- Jicarilla Apache Nation
- Navajo Nation
- Southern Ute Indian Tribe
- Ute Mountain Ute Tribe
- Bureau of Indian Affairs
- Bureau of Land Management

- Bureau of Reclamation
- The Nature Conservancy
- U.S. Fish and Wildlife Service
- Water Development Interests