TESTIMONY OF ROBERT S. LYNCH, ROBERT S. LYNCH & ASSOCIATES, BEFORE THE HOUSE COMMITTEE ON NATURAL RESOURCES, SUBCOMMITTEE ON WATER AND POWER, CONCERNING H.R. 2842, BUREAU OF RECLAMATION SMALL CONDUIT HYDROPOWER DEVELOPMENT AND RURAL JOBS ACT OF 2011, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

SEPTEMBER 14, 2011

Chairman McClintock, Ranking Member Napolitano, Members of the Subcommittee, I am pleased to have the opportunity to present testimony in support of H.R. 2842, the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act of 2011. I am presenting this testimony both on my own behalf and that of our clients and also on behalf of the National Water Resources Association (NWRA).

Our firm, among other clients, represents a state association, the Irrigation & Electrical Districts Association of Arizona (IEDA). Numbered among its 25 members are most of the special districts that manage water delivery systems in Arizona as well as several of the municipalities that provide water service to their citizens. Each of these water service entities as well as other municipalities and water service entities in Arizona are potentially small hydropower generators.

When I last appeared before the Subcommittee on June 23, 2011 to support H.R. 795, I mentioned to the Subcommittee that, in Arizona, and in all of the so-called Reclamation states in the West, the bulk of the significant canal systems that move our water supplies are owned by the federal government and under the jurisdiction of the Bureau of Reclamation ("Reclamation"). A number of these systems are managed and operated by non-federal entities, typically irrigation districts and water users associations authorized to do so under Reclamation law. For instance, the Central Arizona Project ("CAP") is operated by the Central Arizona Water Conservation District ("CAWCD"), a multi-county water conservation district specifically authorized for this purpose by Arizona law. CAP's main system, as well as associated delivery facilities such as the Santa Rose Aqueduct, are available targets for hydropower development. Indeed, the Santa Rosa Aqueduct, managed by the Maricopa Stanfield Irrigation and Drainage District, is primed for that possibility. The local District managers have identified numerous sites on this aqueduct that are optimal locations for small hydropower development.

For us in the West, H.R. 2842 is the flip side of H.R. 795. If we can minimize red tape and streamline the processes of the Bureau of Reclamation in granting leases of power privilege on facilities they manage in the West, that streamlining will create tremendous incentives for not only the Bureau but for the irrigation districts and water users associations that manage many of these facilities to move forward on small hydropower development. We are literally sitting on a hydropower gold mine waiting for the needed clarifications and streamlining that will cut costs and make this program more attractive.

IEDA and other NWRA members are ready and willing to get started. Indeed, one of our members has already suffered the agonies of trying to get an exemption from the Federal Energy Regulatory Commission for one of its own canals. The difficulty that this district encountered

has caused many others to pause, waiting for Congress to complete the streamlining embodied in H.R. 795 and this bill.

There are tremendous advantages that can spring from this legislation. The untapped potential that lies out there waiting is typified by the Department of Energy report that identified some 1,400 megawatts of unused capacity in canals and ditches in the State of Colorado where small hydropower units at below 5 megawatts could be installed. The nameplate capacity of Glen Canyon Dam on the Colorado River is 1,400 megawatts. Thus, these small hydropower units installed in existing ditches and canals could effectively replicate the maximum output of Glen Canyon Dam all by themselves.

We and others in the West are ready to get started. We need Congress to streamline the processes, both for Reclamation facilities and for non-federal facilities. This companion enterprise will open up the West to a whole new product line of small hydropower facilities that can tap the energy in flowing water that is currently being wasted. If the red tape can be cut down, the cost of installing these units can be amortized. These are existing facilities and will have no impact other than to provide additional clean renewable hydropower in small quantities all over the western United States. Congress has the opportunity not only to create, in very small increments, a considerable new clean renewable resource but to stimulate a fledgling industry that can bring jobs to depressed rural areas throughout the West. The interest is there. The need is there. The missing pieces to give this potentially significant program its push to success are embodied in this legislation and H.R. 795. The Subcommittee has already successfully dealt with H.R. 795. We urge you to quickly deal with H.R. 2842 and send this legislation speedily on its way so that we can get to work.

Thank you for the opportunity to appear today and testify on this important legislation.