

Committee on Resources

Subcommittee on Water & Power

Witness Statement

STATEMENT OF
COLORADO RIVER ENERGY DISTRIBUTORS ASSOCIATION
Regarding HR 2348,
a bill to authorize the Bureau of Reclamation to provide cost sharing for
the endangered fish recovery implementation programs for the Upper
Colorado and San Juan River Basins.

Mr. Chairman, members of the committee, I am Leslie James, Executive Director of the Colorado River Energy Distributors Association (CREDA). CREDA is a regional association whose members include more than 130 municipal and rural electric cooperative utilities in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. CREDA members serve nearly three million electric consumers in these six states.

CREDA's member utilities purchase more than 85 percent of the power produced by the Glen Canyon and Flaming Gorge Dams and other features of the Colorado River Storage Project (CRSP). The CRSP, as many of you know, is a multi-purpose federal project that provides flood control; water storage for irrigation, municipal and industrial purposes; recreation and environmental mitigation, in addition to the generation of electricity.

CREDA's interest in the Endangered Fish Recovery Program and HR 2348 is specific and direct. As purchasers of the power generated at Flaming Gorge and Aspinall Unit, CREDA's members pay over 95% of the costs of these water storage facilities. Changes in the operation of these facilities to provide for the recovery of the endangered fish have resulted in significant costs to the power users. In addition, 65% of the costs of the base program of monitoring and research over the past several years has been funded by power customers (currently \$2 million per year). HR 2348 provides that up to \$6 million of the base annual funding including o&m of capital projects will be provided by power revenues.

To date, over \$20 million has been spent for capital projects to recover the endangered fish in the Upper Basin. Over the past few years, CREDA representatives have participated in discussions with representatives of the US Fish & Wildlife Service, the Bureau of Reclamation, Western Area Power Administration, representatives of the States of Utah, Wyoming, Colorado and New Mexico, and representatives of environmental organizations in an effort to develop authorizing legislation which would provide for cost sharing among the States, Federal agencies and CRSP power customers.

CREDA member utilities are consumer-owned, not-for-profit utilities whose primary responsibility is to provide reliable, low-cost service to the consumers they serve. With this responsibility in mind, and because HR 2348 as introduced did not provide adequate funding certainty required by CRSP power customers, CREDA has worked with the funding participants to reach consensus on amendment language. This language, which is attached to my written testimony, provides funding certainty for the CRSP power customers. The language ensures that a) power revenues for capital projects will match State funding levels on a rolling two-year basis, and b) in the event the Cooperative Agreements which provide State funding for ongoing operation and maintenance are terminated, so too shall power revenue contributions terminate. It is our understanding that Mr. Hansen will be offering these amendments and we urge the Subcommittee to accept them. CREDA cannot support the passage of HR 2348 without this language.

CREDA's support for the Recovery Program and this legislation is also based on the expectation that full

and successful implementation of a defined program will make any further adverse changes in operation for endangered fish unnecessary.

We appreciate the support of the Utah and Colorado congressional delegations for this legislation and look forward to working with them and the Subcommittee to approve HR 2348.

SUPPLEMENTAL INFORMATION

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TOPICAL OUTLINE

I. CREDA is a regional association representing over 130 municipal and rural electric cooperative consumer-owned utilities in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming; CREDA members serve nearly 3 million electric consumers.

II. CREDA members purchase more than 85% of the power produced by the Colorado River Storage Project (CRSP), and fund more than 95% of the water storage costs. HR 2348 provides that 100% of the base annual funding be provided by power revenues (up to \$6 million per year).

III. CREDA's support of this program assumes full and successful implementation of a defined program which will not make any further adverse changes in operation for endangered fish.

IV. As introduced, HR 2348 did not provide adequate funding certainty. CREDA has worked with the funding participants in the Upper Basin Endangered Fish Recovery Program to develop amendment language which will ensure (i) power revenues for capital projects will match State funding levels on a rolling two-year basis, and (ii) in the event the Cooperative Agreement which provide State funding for ongoing operation and maintenance are terminated, so too shall power revenue contributions end. Without the inclusion of this language, CREDA cannot support passage of HR 2348.

Upper Basin Endangered Fish Recovery Legislation

HR 2348, S 1544

Proposed Amendatory Language

September 7, 1999

1) Add new section 3(c)(5):

The funding authorized by paragraph 3(c)(2) over any two fiscal year period shall be made available in amounts equal to the contributions for the same two fiscal year period made by the Upper Division States pursuant to paragraph 3(c)(1).

2) Amend section 3(d)(2): (ADDITIONS SHOWN IN CAPS)

For the Recovery Implementation Program for the Endangered Fish Species in the Upper Colorado River

Basin, the contributions to base funding referred to in paragraph (1) shall not exceed \$4,000,000 per year. For the San Juan River Recovery Implementation Program, such contributions shall not exceed \$2,000,000 per year. The Secretary shall adjust such amounts for inflation in fiscal years commencing after the enactment of this Act. The utilization of power revenues for annual base funding shall cease after the fiscal year 2011, unless reauthorized by Congress; except that power revenues may continue to be utilized to fund the operation and maintenance of capital projects and monitoring. No later than the end of fiscal year 2008, the Secretary shall submit a report of the utilization of power revenues FOR BASE FUNDING to the appropriate Committees of the United States Senate and the House of Representatives. The Secretary shall also make a recommendation in such report regarding the need for continued BASE funding after fiscal year 2011 that may be required to fulfill the goals of the Recovery Implementation Programs. Nothing in this Act shall otherwise modify or amend existing agreements among participants regarding base funding and depletion charges for the Recovery Implementation Programs.

3) Add new section 3(d)(3) (REMOVING 2 SENTENCES FROM 3(d)(2):

The Western Area Power Administration and the Bureau of Reclamation shall maintain sufficient revenues in the Colorado River Basin Fund to meet their obligation to provide base funding in accordance with section 3(d)(2). If the Western Area Power Administration and the Bureau of Reclamation determine that the funds in the Colorado River Basin Fund will not be sufficient to meet the obligations of section 5(c)(1) of the Colorado River Storage Project Act for a 3-year period, the Western Area Power Administration and the Bureau of Reclamation shall request appropriations to meet base funding obligations.

4) Amend section 3(g) (ADDITIONS SHOWN IN CAPS):

The Congress finds that much of the potential water development in the San Juan River Basin AND IN THE DUCHESNE RIVER BASIN, A SUBBASIN OF THE GREEN RIVER IN THE UPPER COLORADO RIVER BASIN, is for the benefit of Indian tribes. Most of the federally designated critical habitat for the endangered fish species in the SAN JUAN RIVER Basin is on Indian trust lands, AND TWO AND ½ MILES OF CRITICAL HABITAT ON THE DUCHESNE RIVER IS ON INDIAN TRUST LAND. Nothing in this Act shall be construed to restrict the Secretary, acting through the Bureau of Reclamation and the Bureau of Indian Affairs, from funding activities or capital projects in accordance with the Federal Government's Indian trust responsibility.

5) Add new section 3(h):

All spending authorities provided by this section 3 for the respective Recovery Implementation Program shall terminate upon expiration of the current time period for the respective Cooperative Agreement referenced in Section 2(1) unless, at least one year prior to such expiration, the time period for the respective Cooperative Agreement is extended to conform with this Act.

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