

FOR IMMEDIATE RELEASE Wednesday, June 27, 2012 <u>PERMALINK</u> CONTACT: <u>Spencer Pederson</u>, <u>Crystal Feldman</u>, or <u>Jill Strait</u> 202-226-9019

Hastings Holds Hearing on Federal Regulations and Costs Impacting Hydropower Development

Okanogan PUD General Manager testifies on Enloe Dam

WASHINGTON, D.C. – The House Natural Resources Committee, chaired by Congressman Doc Hastings, today held an oversight hearing on mandatory costs and requirements that federal agencies within the Departments of the Interior, Commerce and Agriculture are imposing on non-federal hydropower producing dams when they are up for licensing or relicensing by the Federal Energy Regulatory Commission (FERC). John Grubich, General Manager of the Public Utility District No. 1 of Okanogan County, testified at the hearing on the need to license the Enloe Dam and expressed concerns that federal requirements from the Bureau of Land Management (BLM) are threatening its economic viability.

"The relicensing of a hydropower dam is an opportunity to responsibly renew a clean, noncarbon-emitting, renewable energy source. But there have been abuses. The relicensing process should not be a hostage-taking opportunity for federal agencies to demand a ransom to be paid to fund their wish lists, or for federal agencies to push a covert dam removal agenda by imposing conditions so onerous that hydropower licenses are surrendered instead of renewed. Regrettably, this is not hyperbole. It is happening. It is reality. And it is unacceptable," **said Chairman Hastings.** "We have heard of the vast potential for more hydropower development. But to accomplish that, we need to modernize and update our laws. This Committee has already acted on two bills and had numerous oversight hearings, but more can and will be done. Some may be controversial, but this debate needs to start."

The Enloe Dam would provide clean, renewable hydropower and new job and economic opportunities for Okanogan County. However, there is a concern that BLM will try to impose several costly improvements and further delay the dam's operation for these measures outside the licensing process. For example, BLM recommended construction of a new recreation site, footbridge over the Similkameen River, vegetation management, additional fisheries mitigation and additional flows over the dam, all of these being enhancement measures largely unrelated to necessary project improvements. According to Grubich, this would increase total project cost by 20%.

"Any process that allows a federal resource or land management agency to unilaterally impose its 'wish list' of Protect, Mitigation and Enhancement Measures (PM&E's) on a project without regard to actual project impacts and the economic feasibility of such conditions on the project represents an invitation to arbitrary, project-crippling requirements," said Grubich. "What is required is a process that requires or at least encourages federal resource or land management agencies to participate in developing a consensus of interested federal and state agencies with respect to what constitutes a reasonable level of project-related PM&E's. Parceling out unilateral authority to impose PM&E requirements on a project...is potentially disastrous, saddling such projects with needless costs or, in too many cases, thwarting needed development altogether."

<u>Click here</u> to read Grubich's full testimony.

<u>Click here</u> to watch an excerpt from Chairman Hastings' opening statement:



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