

**Prepared Testimony of George M. Caan
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**House Natural Resources Committee, Subcommittee on Water and Power
H.R. 4349, the “Hoover Power Allocation Act of 2009”
March 18, 2010
Washington D.C.**

Good morning Madam Chairwoman Napolitano, Congressman McClintock, and Members of the Subcommittee. My name is George Caan and I am the Executive Director of the Colorado River Commission of Nevada. I appreciate your invitation to speak to you today regarding H.R. 4349, and I want to especially thank you Madam Chairwoman for your efforts and leadership on this bill. I speak today on behalf of the State of Nevada, one of the three lower basin states directly affected by the Hoover power contracts. The Colorado River Commission of Nevada strongly supports H.R. 4349. I also submit for the record support letters from the Nevada customers who benefit from Hoover power including the Southern Nevada Water Authority and NV Energy.

The Colorado River Commission is the state agency charged with, among other duties, receiving and allocating federal hydropower from the Colorado River that is provided to the State of Nevada. This legislation is crucial to my state. On behalf of the State in its sovereign capacity and also as principal on its own behalf, the Colorado River Commission receives electric power generated by Hoover Dam through delivery contracts with the Western Area Power Administration of the U.S. Department of Energy. The Commission, in turn, contracts to deliver Hoover power to retail and wholesale customers in Southern Nevada. We also operate a power delivery system to deliver this critical resource to our customers.

The Colorado River Commission of Nevada has worked for over two years with representatives of Arizona and California to develop this consensus approach to ensuring that the benefits of Hoover power will continue to be delivered to the citizens of our three states after current contracts expire in 2017.

H.R. 4349 extends current Hoover power contracts for fifty years to 2067. It re-directs five percent of Hoover capacity and associated energy from current contractors to a resource pool that will be made available to new allottees in Nevada, Arizona and California who do not receive any Hoover power today. This bill will allow federally-recognized Indian tribes to apply to access the dam's power for the first time, as well as entities eligible under section 5 of the Boulder Canyon Project Act such as states, municipal corporations and political subdivisions.

H.R. 4349 provides coordinated federal/state management of the new allottees' resource pool. The Western Area Power Administration will allocate two-thirds of the pool, and the remaining one-third of the pool will be distributed in equal shares through the Arizona Power Authority (for new allottees in Arizona), the Colorado River Commission of Nevada (for new allottees in Nevada), and through Western (for new allottees in California). H.R. 4349 requires new allottees to pay a proportionate share of the costs borne today by current contractors for operational and environmental purposes.

We urge the Congress to approve H.R. 4349. We believe that Congress should allocate post-2017 Hoover power as it has done since Hoover Dam was constructed in 1935. Congressional approval is needed to ensure the continued availability and reliability of Hoover power to the citizens of Nevada, Arizona and California. The State of Nevada supports H.R. 4349 in its entirety and urges the Committee to approve the bill. Thank you again for the opportunity to speak with you today. I'd be happy to answer any questions you may have.