

EXTENSION OF HYDROELECTRIC PROJECT LOCATED IN
THE STATE OF WASHINGTON

JUNE 7, 1997.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. BLILEY, from the Committee on Commerce,
submitted the following

REPORT

[To accompany H.R. 1217]

[Including cost estimate of the Congressional Budget Office

The Committee on Commerce, to whom was referred the bill (H.R. 1217) to extend the deadline under the Federal Power Act for the construction of a hydroelectric project located in the State of Washington, and for other purpose, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

The purpose of H.R. 1217 is to extend the deadline for the completion of construction of a hydroelectric project in the State of Washington licensed by the Federal Energy Regulatory Commission (FERC).

BACKGROUND AND NEED FOR LEGISLATION

Section 13 of the Federal Power Act (16 U.S.C. § 806 (1988)) requires that both the commencement and completion of construction of hydroelectric projects be completed within deadlines fixed in licenses issued by FERC. The licensee must begin construction not more than two years from the date the license is issued, unless FERC extends the initial deadline. However, section 13 permits FERC to grant only one extension of that deadline for "not longer than two additional years * * * when not incompatible with the public interests." Accordingly, FERC lacks authority to extend the deadline beyond a maximum of two years from the original deadline for commencement of construction. Therefore, a license is subject to termination if a licensee fails to begin construction within four years of the date the license is issued.

A license issued by FERC also provides a deadline for the completion of construction. Under section 13 of the Federal Power Act, a licensee is directed to complete construction by a deadline fixed in the license. However, section 13 provides that "the period for the completion of construction carried on in good faith and with reasonable diligence may be extended by the Commission when not incompatible with the public interests." In the event construction begins but is not completed by the deadline fixed in the license or extended by FERC, section 13 provides that the Attorney General, upon the request of FERC, shall institute proceedings in equity in the district court of the United States for the district in which any part of the project is located for the revocation of the license, the sale of the project works, and other relief.

H.R. 1217 would extend the deadline for completion of construction of an 8.3 megawatt hydroelectric project (Project No. 10359) in Snohomish County, Washington, until May 4, 2004. Construction of the project commenced in a timely manner, and FERC extended the deadline for completion of construction from May 4, 1996 to May 4, 1998. The reason for the extension was the licensee lacked financing to complete construction of the project. The licensee has expended over \$5 million on project development, or about 25 percent of total project costs. However, construction was suspended because the sponsor has not been able to secure a power purchase agreement to support additional financing of construction costs. Without an extension of the deadline for completion of construction, the license will be revoked.

HEARINGS

The Committee on Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On May 22, 1997, the Subcommittee on Energy and Power met in open markup session and approved H.R. 1217 for Full Committee consideration, without amendment, by a voice vote. The Full Committee met in open markup session on June 4, 1997, and ordered H.R. 1217 reported to the House, without amendment, by a voice vote.

ROLLCALL VOTES

Clause 2(1)(2)(B) of rule XI of the Rules of the House requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. There were no recorded votes taken in connection with ordering H.R. 1217 reported. A motion by Mr. Bliley to order H.R. 1217 reported to the House, without amendment, was agreed to by a voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee did not hold oversight or legislative hearings on this legislation.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee finds that H.R. 1217 would result in no new or increased budget authority or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, June 5, 1997.

Hon. TOM BLILEY,
 Chairman, Committee on Commerce,
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1217, a bill to extend the deadline under the Federal Power Act for the construction of a hydroelectric project located in the state of Washington, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kim Cawley.

Sincerely,

PAUL VAN DE WATER,
 (for June E. O'Neill, Director.)

Enclosure.

H.R. 1217—A bill to extend the deadline under the Federal Power Act for the construction of a hydroelectric project located in the state of Washington, and for other purposes

CBO estimates that enacting this bill would have no net effect on the federal budget. The bill does not contain any intergovernmental or private-sector mandates, and would not impose any costs on state, local, or tribal governments.

The bill would extend until May 4, 2004, the deadline for construction of a hydroelectric project currently subject to licensing by the Federal Energy Regulatory Commission (FERC). The proposed extension is for FERC project number 10359. This provision may have a minor impact on FERC's workload. Because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs would be offset by an equal change in the fees that the commission charges. Hence, the bill's provisions would have no net budgetary impact.

Because FERC's administrative costs are limited in annual appropriations, enactment of this bill would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

The CBO staff contact for this estimate is Kim Cawley. This estimate was approved by Paul Van de Water, Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Extension of deadline

This section directs the Federal Energy Regulatory Commission (FERC), upon the request of the licensee for Project No. 10359, to extend the time required for the completion of construction for such project until May 4, 2004. The section directs the licensee to submit reports on the status of the project to FERC on December 31 of each year until construction is completed.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1217 does not amend any existing Federal statute.

