

ARROWROCK HYDROELECTRIC PROJECT NUMBERED 4656

SEPTEMBER 26, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BARTON of Texas, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 4377]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 4377) to extend the time required for construction of a hydroelectric project, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

| | Page |
|---|------|
| Purpose and Summary | 1 |
| Background and Need for Legislation | 2 |
| Hearings | 2 |
| Committee Consideration | 2 |
| Committee Votes | 3 |
| Committee Oversight Findings | 3 |
| Statement of General Performance Goals and Objectives | 3 |
| New Budget Authority, Entitlement Authority, and Tax Expenditures | 3 |
| Earmark | 3 |
| Committee Cost Estimate | 3 |
| Congressional Budget Office Estimate | 3 |
| Federal Mandates Statement | 4 |
| Advisory Committee Statement | 4 |
| Constitutional Authority Statement | 4 |
| Applicability to Legislative Branch | 4 |
| Section-by-Section Analysis of the Legislation | 5 |
| Changes in Existing Law Made by the Bill, as Reported | 5 |

PURPOSE AND SUMMARY

The purpose of H.R. 4377 is to extend for three years the deadline for commencement of construction of a 15 megawatt hydro-

electric project, the Arrowrock Project (No. 4656), at the Arrowrock Dam on the Boise River in Idaho.

BACKGROUND AND NEED FOR LEGISLATION

Section 13 of the Federal Power Act, 16 U.S.C. § 806 (2000), provides that after the issuance by the Federal Energy Regulatory Commission (FERC) of a hydroelectric license, the licensee must begin construction of the project within the time specified in the license, which can be no more than two years after issuance of the license. FERC may extend this deadline to begin construction by two years. Thus, under the statute, FERC may allow a licensee a maximum of four years from the date of license issuance to begin construction of the hydroelectric project. Section 13 also provides that if the licensee does not begin construction within the time specified in the license or as extended by FERC, then, after due notice, the license shall be terminated by order of FERC. Congress can extend the construction deadline beyond what FERC may authorize through appropriate legislation.

This project was delayed for years after the bull trout was declared a threatened species under the Endangered Species Act (ESA). Resolving issues related to the ESA with the Fish and Wildlife Service took several years. Also, new valves had to be installed at the existing dam by the Bureau of Reclamation to connect the new facilities. This also took time.

This project adds electric generating facilities to an existing dam with minimal environmental impact and will provide power to a public utility district in Oregon. This bill allows further development of hydroelectric energy.

HEARINGS

The Subcommittee on Energy and Commerce held a hearing on nuclear waste storage and disposal policy, and hydroelectric license extension and energy efficiency legislation, on September 13, 2006. The Subcommittee received testimony from: The Honorable Edward F. Sproat III, Director, Office of Civilian Radioactive Waste Management, U.S. Department of Energy; Mr. Luis A. Reyes, Executive Director for Operations, U.S. Nuclear Regulatory Commission; The Honorable Stan Wise, Chairman, Georgia Public Service Commission, on behalf of: National Association of Regulatory Utility Commissioners; Mr. Anthony F. Earley Jr., Chairman and CEO, DTE Energy Company, on behalf of: Nuclear Energy Institute; Ms. Michelle Boyd, Legislative Director, Public Citizen; The Honorable C.L. "Butch" Otter, Member, U.S. House of Representatives; The Honorable Alan B. Mollohan, Member, U.S. House of Representatives; and Mr. J. Mark Robinson, Director of the Office of Energy Projects, Federal Energy Regulatory Commission.

COMMITTEE CONSIDERATION

On Wednesday, September 20, 2006, the Committee on Energy and Commerce met in open markup session and ordered H.R. 4377 favorably reported to the House, without amendment, by a voice vote, a quorum being present.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 4377 reported. A motion by Mr. Deal to order H.R. 4377 favorably reported to the House, without amendment, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goal of H.R. 4377 is to authorize FERC to extend for three years from the date of enactment the date by which construction must start under the project license.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 4377, to extend the time required for construction of a hydroelectric project, and for other purposes, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARK

In compliance with H. Res. 1000 as passed the House of Representatives on September 14, 2006, the Committee finds that H.R. 4377, to extend the time required for construction of a hydroelectric project, and for other purposes, contains no earmarks.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 26, 2006.

Hon. JOE BARTON,
*Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4377, a bill to extend the time required for construction of a hydroelectric project, and for other purposes.

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

Sincerely,

DONALD B. MARRON,
Acting Director.

Enclosure.

H.R. 4377—A bill to extend the time required for construction of a hydroelectric project, and for other purposes

H.R. 4377 would authorize the Federal Energy Regulatory Commission (FERC) to extend the deadline for commencing construction of a hydroelectric project (number 4656) in Idaho by up to three years. CBO estimates that implementing H.R. 4377 would have no net effect on the federal budget. The bill would 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 fully offset by an equal change in the fees that the commission charges. Because FERC's administrative costs are limited in annual appropriations, the bill would not affect direct spending or revenues.

H.R. 4377 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On June 2, 2006, CBO transmitted a cost estimate for S. 2035, similar legislation, as ordered reported by the Senate Committee on Energy and Natural Resources on May 24, 2006. The estimated costs of the two bills are the same.

The CBO staff contact for this estimate is Megan Carroll. This estimate was approved by Robert A. Sunshine, 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 3(d)(1) of rule XIII 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. Arrowrock Hydroelectric Project

Section 1 directs FERC to extend the period specified in the project license for commencing construction of the project for three years from the date of enactment. If the license has already been terminated before the date of enactment of this Act, reinstate the license and extend the date for commencing construction for three years.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

