

Written Testimony of Ken Ahmann, Colusa Indian Community

House Appropriations Subcommittee on Interior, Environment, and Related Agencies

American Indian/Alaska Native Public Witness Hearing

Chairman Simpson, Ranking Member Kaptur: On behalf of the Cachil Dehe Band of Wintun Indians of the Colusa Rancheria, where I serve as Chief Operating Officer of Colusa Indian Energy and on the economic development board, I am pleased to testify in support of several programs which support Tribal energy independence and reliability.

The Tribe is located near Colusa, California and has resided in their ancestral homelands of Northern California's Sacramento River Valley since time immemorial. Prior to building its own natural gas powered microgrid, the Tribe was reliant upon a state-regulated, large investor-owned utility for its energy needs. The utility was unable to provide reliable electricity and unresponsive to any efforts by the Tribe to correct the problem. The Tribe annually experienced almost 100 electric disruption events, from complete outages to brownouts and voltage fluctuations. The Tribal Council decided to seek energy independence by developing its own microgrid. Through various phases, this project now includes a natural gas cogeneration plant, solar arrays, new distribution lines, diesel backup and a battery storage system. The Tribe is completely off-grid and our businesses, the casino resort, government campus, homes, and agricultural operations have not experienced an outage in 13 years. We operate the most reliable microgrid on the planet.

After experiencing the benefits of taking our energy future into our own hands, our Tribal Council founded Colusa Indian Energy (CIE), a wholly owned Tribal corporation and a subsidiary of the Tribe's Section 17 company, River Bend Holdings. CIE's mission is to support other Tribes in their pursuit of energy sovereignty. As the only Tribally owned microgrid developer in the country, CIE has successfully eliminated reliance on external utilities thereby allowing other Tribes to exercise their sovereignty. CIE is working to assist other Tribes in developing energy independence by providing expertise in microgrid construction, funding opportunities, and Tribal utility formation.

My testimony today will focus on those offices, programs, and policies which Tribes rely upon to seek and secure energy independence, diversify their economies away from gaming, build more vibrant communities, and help America maintain its global computing and energy dominance.

BIA Indian Energy Services/Office of Trust Services

As the members of the Subcommittee know, Tribal governments are forced to seek approval from the Bureau of Indian Affairs for a wide array of activities on trust lands, including energy generation, storage, transmission and related projects. The Helping Expedite and Advance Responsible Tribal Home Ownership Act of 2012 (HEARTH Act) made great advances in self-determination of Tribes, but more work needs to be done. There are still limitations on how federally recognized Tribes utilize their lands. Fewer restrictions or government agency approvals will allow Tribes to accelerate development and

attract more private capital to fund these initiatives. More private capital will allow Tribes to grow without relying on government grants and loan guarantees.

Department of Energy Tribal Programs

I would like to recognize the importance of the Office of Indian Energy within the Department of Energy. We have partnered with this office on several projects at Colusa and elsewhere. The Office of Indian Energy provides technical expertise, funding, and serves as a one-stop shop for Tribes seeking to develop their energy resources. These resources were vital in developing our microgrid, and grant funding can help Tribes take their initial steps toward energy self-sufficiency. This office is instrumental in connecting Tribes with DoE resources such as the system of national labs, other technical resources, and programs.

The House Fiscal Year 2025 Energy and Water bill provides a historic \$95 million to Indian Energy Policy and Programs at the Department of Energy, a 35% increase over Fiscal Year 2024. We are grateful for your continued support for this office and urge the Committee to continue that commitment as you develop the Fiscal Year 2026 bill.

We hope that those members of the Subcommittee who also serve on the Energy & Water Subcommittee will bring their expertise related to Tribal issues to that role as well.

We also hope that the Subcommittee members will bring their expertise and guidance to the DoE's Loan Program Office. This program had significant potential to improve the capital flows into Indian Country energy projects; however, the application process was cumbersome which made it almost impossible for any Tribes to take advantage of the program. Further, the complex and costly due diligence assessment of projects made the smaller, community scale projects impossible to fund using this program. This program has a massive opportunity in promoting both new natural gas fired generation and renewable energy resources. America needs significant power capacity to lead the world in computer processing, artificial intelligence, and other high technology manufacturing endeavors.

Tribal Energy Tax Issues

The investment tax credits included in Section 48 of the Internal Revenue Code, which was expanded by Congress in 2022, presented Tribes with a critical opportunity to develop microgrid projects on their own Reservations. The formation of Colusa Indian Energy was predicated partially on that investment thesis. This tax incentive initially supported natural gas co-generation and non-carbon energy generation systems offering cost savings, carbon reductions, and improved energy reliability across the nation. A key feature for Tribes is the direct pay option, allowing tax-exempt entities to receive the credit as a direct cash payment rather than a tax liability reduction. This removes financial barriers and enables investment in large-scale power generation projects without requiring tax liability.

Rationale for Restoring Energy Tax Credits Exclusively for Tribes

The natural gas co-generation elements of the ITC expired at the end of 2024, eliminating this critical and baseload generation method. With advanced technology, such as Colusa's ability to eliminate carbon from natural gas pre-combustion and emission scrubbing systems, natural gas turbines provide a clean solution to America's electrical energy needs. Tribes should be given more time to leverage this funding for a few reasons. First, Tribes can implement these new generation projects faster and with fewer soft-cost hurdles than traditional developers or investor-owned power companies. Because Tribes control the permitting and regulation within their Reservation or trust boundaries, these projects can be in service years before equivalent projects within local government jurisdictions. The Tribe is still beholden to federal regulations, but often projects are held up at the state and local level.

Second, these projects represent a significant economic development impact and help Tribes diversify away from gaming revenue and reliance on other federal grants to support their government operations. Investing in clean energy today will ensure long-term economic and environmental resilience while advancing Tribal energy sovereignty. Restoration of the natural gas combined cycle tax credit would allow Tribes to more aggressively build out behind-the-meter generation to power advanced data center facilities, cold storage warehouses, food processing plants, industrial manufacturing and other high electrical load commercial operations. Corporate America has been offshoring manufacturing and production capabilities for decades and the process to re-shore these activities is time consuming. Re-shoring is not possible without a source of power that is reliable and resilient. Colusa Indian Energy is leading the way and constructing projects in a fraction of the time other developers are completing projects.

Natural gas is a readily abundant resource in the United States that is critical to the economy, national security, and maintaining America's position as a global leader. By coupling behind-the-meter natural gas fired generation with a Tribe's ability to provide land and a more favorable regulatory environment we can develop data centers quickly. These high computing environments are important to maintain the lead in AI computing held by the United States. As countries more adversarial to the interests of the United States develop and weaponize their own computing capabilities, we must utilize all the opportunities within our borders to strengthen and harden our nation's capabilities.

Colusa Indian Energy can continue to lead those efforts, but we need assistance and programs that make the flow of private capital into Indian Country easier. Having the ability to attract private capital lowers our collective reliance on federal grants and other programs that increase the federal government deficit spending and place unelected officials in a position to determine winners and losers in private commerce.

There is currently legislation in process that allows Tribes an equal footing same as municipalities in terms of issuing tax exempt debt, collecting tax credits for technology incubators, and employer tax credit programs to reward employers for hiring and moving businesses onto Tribal trust land. We have illuminated a path forward and request that the US Government trust our collective Tribal Nations as equals and partners in these efforts to retain our position as world technology leaders.

DoE's National Interest Electric Transmission Corridor Designation

Colusa Indian Energy's model is to build behind-the-meter generation to power projects, especially in areas where there is no transmission or electric utility capacity available. The modern economy requires significant electric power to operate. Our projects can get a site operational as it waits for transmission to be built so an interconnection can be constructed by tying the system into the larger electric grid. The Federal Power Act allowed the Secretary of Energy to designate certain areas of the country as National Interest Electric Transmission areas. To date there have been three areas identified by the Secretary of Energy and the comment period for the designation process has been extended until 15 April 2025. While this is a good start, we need more attention and resources put into action that will designate more transmission corridors to access Indian Country. Tribal lands hold tremendous generation potential, but without the ability to deliver that power to load centers, society cannot capture that economic value. CIE's projects bring a power buyer to the remote Tribal areas so that both the tenant and the Tribe can profit. Most areas have a 5-7 year transmission planning process. Condensing the timeline of transmission built out would allow interconnection to Tribal lands with power generation capacity, ample land area, and natural gas supplies.

There are several legislative and regulatory areas that can be improved to encourage and promote energy generation development within Tribal land areas. These initiatives would not significantly increase the deficit or reduce the reliability of the bulk power system. We ask that the federal government work with Tribes to improve these programs that will improve Tribal sovereignty, energy independence, economic development and provide high quality power to all Americans.