

Statement of Alina Osorio, Director
Clark Canyon Hydro, LLC

Before the
United States House of Representatives
Energy and Commerce Committee
Subcommittee on Energy and Power

February 2, 2016

Chairman Whitfield, members of the House Energy and Commerce Committee, Subcommittee on Energy and Power, thank you for the opportunity to submit testimony in support of HR 2080 —A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project involving Clark Canyon Dam.

I am also grateful to Representative Zinke for introducing this legislation providing an opportunity for the Clark Canyon Hydro project to come to fruition and provide benefits to the people of Montana and Idaho.

The Clark Canyon Hydro project will provide jobs, reliable and renewable electricity, tax revenue for Montana and power during the hottest months of the year when electricity demand is high. The hydro project being developed on the Clark Canyon Dam located in Montana, draws on the existing dam owned by the Bureau of Reclamation. The project is for a net capacity of 4.7 MW supplying an estimated 17,900 MWh of clean, renewable electricity per year, enough to power approximately 1,770 average homes per year. As you know, hydro power is stable, reliable and a renewable resource whose assets typically last for 50 to 100 years. Unlike some other forms of renewable electricity, hydropower has a number of ancillary benefits which help to provide stability to the electric transmission and distribution system.

Environmental benefits include reducing an estimated 18,000 tonnes/year of CO₂ and supplementing the dissolved oxygen into the Beaverhead River below the dam by way of an aeration system. The Beaverhead River has ongoing challenges with low oxygen levels, the Montana Department of Environmental Quality has provided a 401 water quality certification for the project. The Bureau of Reclamation owns and operates this dam which was built in 1964, the project draws on already existing potential power without creating adverse impacts to the Beaverhead River.

Economic benefits include, creating 30 to 40 jobs during construction and 1 to 2 full time operating jobs for the life of the project, which is anticipated to be 50 or more years. In addition to the job benefits, state and federal tax revenues that will be realized during the first five years will be approximately \$611,000. Because the electricity is considered renewable, the renewable electricity credits (RECs) will be an additional economic value.

Clark Canyon Hydro LLC (CCHL) acquired the project from a former developer who was not able to complete the work. The delays that occurred were due in large part by the former developer's mismanagement and neglect to file the necessary updates and project plans in a timely fashion to the Federal Energy Regulatory Commission (FERC). Despite the prior developer's errors, the FERC

Commissioners continue to support development of the project and uniquely expressed that support in the FERC Order terminating the license:

Although we are required to terminate the license, we are sympathetic to efforts to develop the project – indeed, the Commission previously issued Clark Canyon a license because the Commission concluded that the Clark Canyon project was in the public interest – and those efforts need not end with our holding here. In a number of instances, Congress has, at the request of developers of projects that failed to timely commence construction, enacted legislation authorizing us to reinstate terminated licenses and grant additional extensions of the time to commence construction¹.

We are grateful that your Subcommittee is considering the extension of the license as suggested by FERC.

Other interested government entities with jurisdiction over the Clark Canyon Hydro project also support the project completion. The Bureau of Reclamation has been extremely cooperative with CCHL since the company took over the project by providing guidance and recommendations such that the project design will quickly achieve final approval. The Montana Department of Environmental Quality (DEQ) in November 2014 published a report indicating the Beaverhead River, which feeds the Clark Canyon Dam and ultimately the hydro turbines, is low in oxygen which hurts native aquatic species. (As stated earlier, the Montana DEQ provided water quality certification for the project.)

Clark Canyon Hydro LLC looks forward to the opportunity to complete this project and deliver all of the anticipated environmental and economic benefits to the people of Montana and Idaho.

Mr. Chairman, thank you again for the opportunity to submit testimony on behalf of Clark Canyon Hydro, LLC in support of HR 2080.

Respectfully submitted,

Alina Osorio
Director
Clark Canyon Hydro, LLC

¹ 150 FERC ¶ 61,195, United States of American Federal Energy Regulatory Commission, Clark Canyon Hydro, LLC Project No. 12429-013, Order Terminating License (Issued March 19, 2015)