



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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CONTACT

[CJ Young](#) — (202) 225-5735

Pallone Touts Modernizing Our Energy Infrastructure at Hydroelectric Power Hearing

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) spoke about the importance of making careful investments in hydropower infrastructure at a subcommittee hearing today titled, “Modernizing Energy Infrastructure: Challenges and Opportunities to Expanding Hydropower Generation”:*

Mr. Chairman, thank you for holding today’s hearing on the challenges and opportunities of modernizing our hydroelectric power infrastructure. As I’ve said before, Democrats strongly support modernizing our energy infrastructure, much of which is outdated, on the verge of disrepair, or inadequate for today’s needs.

Hydroelectric power is among the most mature generating technologies providing substantial, virtually carbon-free, baseload energy at low cost to our manufacturing sector and to residential and commercial consumers. It is an important asset we need to maintain.

At the same time, it also has major impacts on fish and wildlife populations, water quality, water supply management, and other important physical and cultural resources if poorly operated or sited. For example, there are numerous examples of hydroelectric dams devastating lands and waters sacred to Native American Tribes. This should not happen. While hydroelectric power licensees depend on rivers for free fuel, those rivers belong to all Americans, not just those who sell or buy the power generated from it.

The Federal Power Act requires the Federal Energy Regulatory Commission (FERC) to balance those competing interests in issuing a license. No interest, whether it be power, drinking water, irrigation, commercial fishery, recreation, or other use should automatically take precedence in the licensing process. The Power Act authorizes States and federal natural resource agencies to place conditions on hydroelectric licenses to preserve water quality, protect public lands and Native American reservations, and ensure proper fish passage to preserve healthy ecosystems and fisheries. If, for instance, a license might adversely impact a protected area such as a National Park, or cause the release of toxic sediment into drinking or agricultural water supplies, or flood a Native American reservation,

the State or Federal agency responsible for managing those resources can place conditions on the license to ensure those resources are protected.

Hydroelectric licenses have fixed conditions that generally remain unchanged during the 30 to 50 years they are in force. Licensees also benefit from unlimited, automatic, annual extensions after their license has expired if a new license has not been issued. As a result, the impacts of these hydropower dams often go unaddressed for more than half a century. For those facilities first licensed before enactment of the National Environmental Policy Act, the Clean Water Act, and the Endangered Species Act in the 1970s, the licensing process certainly can be quite rigorous. Sometimes, the necessity of addressing these complex issues also makes the process time-consuming and expensive as new license conditions will require significant upgrades to old facilities to bring them in line with modern environmental laws and regulations.

Ironically, climate change has increased the need to license new capacity of this carbon-free generating technology at the same time it has caused record droughts that have made it more difficult to site new works or provide long-term relicensing of existing facilities. Climate-induced changes in hydrology – including the record drought in the west that just ended– are calling into question the reliability of existing facilities. These changes are also upending the economics of siting new hydropower capacity, and increasing the challenges associated with addressing hydropower’s environmental issues.

In addition to the unique challenges faced by the hydropower industry, the significant changes in electricity markets and relatively flat demand for electricity creates a difficult financial environment for developing new baseload generation in many areas of the country. Some of the unique benefits that hydropower and pumped storage can offer cannot be fully compensated by current electricity rate structures.

So, I’m glad we’re holding this hearing today and I urge the Chairman to hold more like this before we begin to discuss legislation. We must understand more fully the challenges facing the hydropower industry and the rivers the industry relies upon before we update our policies. Our goal should be to maintain the fundamental principles of balance in the process so that we maximize the benefits of hydroelectric power and expand it where it is most appropriate to do so.

We have an excellent panel here today to start this process. I thank you all for being here to participate in this important effort.

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