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AMERICAN HYDROPOWER: UNLEASHING RELIABLE,

RENEWABLE, CLEAN POWER ACROSS THE U.S.

WEDNESDAY, SEPTEMBER 20, 2023

House of Representatives,

Subcommittee on Energy, Climate, and Grid Security,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 2123, Rayburn House Office Building, Hon. Jeff Duncan [chairman of the subcommittee] presiding.

Present: Representatives Duncan, Latta, Guthrie, Griffith, Johnson, Bucshon, Walberg, Palmer, Curtis, Lesko, Pence, Weber, Balderson, Pfluger, Rodgers (ex officio), DeGette, Peters, Matsui, Tonko, Veasey, Kuster, Schrier, Castor, Sarbanes, Cardenas, Blunt Rochester, and Pallone (ex officio).

Also Present: Representative Fulcher.

Staff Present: Kate Arey, Content Manager and Digital Assistant; Sarah Burke, Deputy Staff Director; Sydney Greene, Director of Operations; Rebecca Hagigh, Executive

Assistant; Nate Hodson, Staff Director; Tara Hupman, Chief Counsel; Sean Kelly, Press Secretary; Peter Kielty, General Counsel; Emily King, Member Services Director; Elise Krekorian, Professional Staff Member, Energy; Mary Martin, Chief Counsel, Energy and Environment; Brandon Mooney, Deputy Chief Counsel for Energy; Kaitlyn Peterson, Clerk, Energy and Environment; Karli Plucker, Director of Operations (shared staff); Carla Rafael, Senior Staff Assistant; Emma Schultheis, Staff Assistant; Olivia Shields, Communications Director; Peter Spencer, Senior Professional Staff Member; Michael Taggart, Policy Director; Dray Thorne, Director of Information Technology; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Tiffany Guarascio, Minority Staff Director; Kris Pittard, Minority Professional Staff Member; Emma Roehrig, Minority Staff Assistant; Kylea Rogers, Minority Policy Analyst; Medha Surampudy, Minority Professional Staff Member; and Tuley Wright, Minority Staff Director, Energy, Climate, and Grid Security

Mr. Duncan. The Subcommittee on Energy, Climate, and Grid Security will now come to order.

The chair will recognize himself for 5 minutes for an opening statement.

I want to thank you all for being here, and welcome to the Energy and Climate, Grid Security Subcommittee hearing, "American Hydropower: Unleashing Reliable, Clean Power Across the United States."

Our goal in the Energy and Commerce Committee is to enact policy that delivers affordable, reliable, and clean energy to all Americans, and hydropower is essential to this mission.

Hydropower and pump storage provide clean power and storage. They are also flexible and can generate power to the grid immediately, which provides a central backup power in times of major outages or disruptions. Unfortunately, hydropower relicensing is among the most complicated and bureaucratic permitting process in the United States. The primary reasons for these delays are due to the number of Federal statutes involved, as well as the number of Federal agencies.

There are 11 Federal agencies involved in the hydropower licensing process. I am glad we have some of these stakeholders in front of us today to give us their perspectives on that process.

It is no question that in order to ensure hydropower remains a critical part of our energy matrix, the licensing and relicensing processes must be reformed and streamlined. Nearly half of the non-Federal U.S. hydropower fleet will be up for relicensing in 2035. The current process creates uncertainty, confusion, and ends up costing millions of

dollars.

On average, relicensing a hydropower facility can take between 7 to 10 years and can cost over $3.5 million. This doesn't even consider the potential costs of fish passage, new turbines, and dam safety investments.

The long and expensive relicensing process causes many hydropower owners to surrender their licenses instead of -- instead and decommission their plants. That leaves America with less emission-free, reliable electricity generation at a time when our electric grid desperately needs this type of generation. And it is not just relicensing that requires projects to go through Federal approvals.

In my district, Buzzard's Roost, a hydro dam in Greenwood County, South Carolina, is currently redesigning a fuse plug that requires FERC approval. This process faced countless delays, and the county feels as if FERC has given them the runaround on numerous occasions. Almost 20 years, $3 million later, not a single shovel has broken ground at Buzzard's Roost to begin the project. This is a prime example of why FERC needs to focus on streamlining their approval processes, providing more certainty to the applicants, and enabling projects to begin in a timely manner.

To address these licensing challenges, Chair Rodgers has introduced the Hydropower Clean Energy Future Act.

Hydropower is the largest source of renewable energy, and this legislation will ensure that this clean energy stays online, preserving the existing fleet and paving the way to bring more power online. This, of course, is important for Chair Rodgers in her home State of Washington where hydropower accounts for nearly 70 percent of electricity generation.

But it is also critical for States and counties all over the country. For example,

this bill will help my home State of South Carolina. In my district, the Third District of South Carolina, Duke Energy has the Bad Creek Hydro Project which is a hydro storage facility. It is able to provide enough energy to power nearly a million homes.

Last summer, I was able to host members of this committee on a tour of the facility and its approximately 1,600 megawatt battery that stores mainly renewable solar energy, as well as excess nuclear baseload power that would otherwise be curtailed because it was generated during periods of low demand.

Recently, Duke Energy filed to relicense the existing Bad Creek facility, and also expressed a desire to build a second powerhouse that would offer additional 1,600 megawatts of storage capacity that would help to integrate carbon-free generation across the Carolinas.

I am hopeful both the relicensing, as well as the possible expansion, are successful, as this would help increase reliability and affordability for customers in my home State and the southeast.

So I look forward to hearing from our witnesses today on how we can improve hydropower relicensing and licensing in order to unleash this critical source of reliable, affordable clean energy in the United States.

I now recognize Ranking Member DeGette for 5 minutes to give her opening statement.

[The prepared statement of Mr. Duncan follows:]

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Ms. DeGette. Thank you so much, Mr. Chairman.

I noticed that Chair Rodgers was really happy this morning. And she is happy because we are talking about hydropower, her very favorite subject, and for good reason.

Hydropower has long played an important role in the development of the United States. And it is going to continue to play a critical role in providing clean, reliable energy as we advance the clean energy transition.

Currently, hydropower provides about 6 percent of all utility-scale electricity generation in the United States. Moreover, it provides nearly 30 percent of all utility-scale electricity generation from renewable resources. So it is safe to say it is going to be key in our fight against climate change.

It is important to recognize that as we work to bring more carbon -- zero-carbon emitting forms of electricity online, hydropower, particularly reservoir-based systems, can provide reliable, dispatchable energy that can offer a bridge during times of intermittence from other sources of renewable energy.

Hydropower has a history of strong bipartisan support in this committee and in the Congress, and I have been grateful to play a role in that.

In 2013, Chairwoman McMorris Rodgers and I led the Hydropower Regulation Efficiency Act, which promoted the development of small hydropower and conduit projects and directed the Federal Energy Regulatory Commission to conduct a study on the permitting process.

In the 115th Congress, Congressman Hudson and I worked on legislation that amended the criteria for a facility to meet the standards of a qualifying conduit hydropower facility, which was eventually included in the America's Water Infrastructure

Act of 2018. And these pieces of legislation are creating results. Recently, I heard about a company in my district that has been able to deploy small conduit projects as a direct result of those bills.

So I am excited about the potential that hydropower has to offer as we move into the future, and I hope that we can continue to keep this strong bipartisan tradition. I do, however, have some serious concerns about the bill we are considering today. And I should note these concerns are similar to the concerns I had when we considered substantially similar legislation in the 115th Congress.

H.R. 4045 would create significant exemptions for the hydropower licensing process that bypass some of our most important environmental laws. Specifically, the bill would exempt all projects 40 megawatts or less from licensing and environmental reviews, up from the previous exemption level of 10. This would mean that FERC would not be able to conduct reviews in conjunction with the resource management agencies who know the science and impacts on wildlife and the environment.

Given the vast potential for environmental impacts from hydropower projects, I, frankly, struggle with this provision. The bill would also set aggressive deadline requirements for licensing determinations.

Now, I am all for cutting red tape and getting projects approved in a timely fashion, but we also have to recognize there are multiple reasons that project approval can take a while, including the lack of information by applicants and the very complex nature of some projects.

So, finally, I am concerned with the provision that would punish agencies by rescinding $5,000 from their budgets for each week the agency is unable to meet a deadline, even if they have a good reason why they can't meet that deadline. If we

want to ensure agencies can complete a thorough review of a project application, we need to make sure that they are well-resourced and well-staffed, not threaten to deprive them of vital funds if they can't make their decision on time for a good reason.

Instead, in my opinion, we need to be making the investments that ensure that we encourage new hydropower and retain existing dams, all the while minimizing the environmental impacts. That is what we did in the last Congress when we provided $3 billion for hydropower in the Bipartisan Infrastructure Law and made hydropower eligible for the full production tax credit in the Inflation Reduction Act.

I would also note that there is a bipartisan hydropower bill in the Senate that Senator Daines and Cantwell introduced. This bill was developed through conversations with a variety of stakeholders, and it tries to strike a balance. Industry, environmental groups, and Tribal leaders came together to find a solution to hydropower licensing, while maintaining environmental and recreational protections. So even though the bill is not perfect, I think most people would say that they have compromised.

So I look forward to the hearing today, and maybe we can work together to find some modifications to get back on track with our bipartisan hydropower legislation.

I yield back.

[The prepared statement of Ms. DeGette follows:]

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Mr. Duncan. I thank the gentlelady.

I now recognize the chair of the full committee, Chair Rodgers, for 5 minutes for an opening statement.

The Chair. Thank you, Mr. Chairman.

Welcome to all our witnesses. Yes, Happy Hydro Day, everybody, or water power. We hear a lot about wind and solar. Today we are going to talk about water, water power that has been around a while but, again, amazing technology, innovation that is improving the operation of hydro facilities across America.

And hydropower is a vital source of energy for the U.S., and especially in eastern Washington, another essential component in an all-of-the-above approach to energy, a renewable, carbon-free, baseload power source that grid operators can dispatch in a moment's notice. Renewable energy from sources like the weather-dependent wind and solar absolutely play an important role in America's overall energy mix, but they cannot replace hydropower because hydropower is reliable.

Just ask the people in California, a State that imports a significant amount of hydroelectricity from Washington State. California relies on hydropower to balance its grid when inconsistent resources like wind and solar can't produce enough energy to meet demand. And for these reasons and more, we must protect and modernize our existing hydropower fleet and expand production where we can.

And that is why I appreciate everyone's consideration of the Hydropower Clean Energy Future Act, which will help with hydropower deployment in America, more than -- we have the capability of more than doubling hydropower in the United States, modernizing an outdating permitting process, promoting next-generation hydro

technology, and eliminating barriers to new dam deployment.

This bill also enhances coordination among dozens of agencies, by authorizing FERC to set schedules, clarify responsibilities, and resolve disputes. H.R. 4045 builds on the important permitting reforms contained in H.R. 1, the Lower Energy Cost Act, to expand clean, reliable, affordable energy for all Americans.

We know hydropower is especially vital in the Pacific Northwest, which is home to the Columbia Snake River System. There is more than 60 dams in the Columbia River Basin, including the four Lower Snake River dams, and this system helped transform our region, which was a dry, barren sagebrush area, to now one of the most productive agriculture regions in the world.

This -- this investment, critical investment in energy infrastructure strengthened our energy grid, has lowered costs for families and businesses. We have some of the lowest electricity rates in America, while also reducing carbon emissions. In fact, the dams along the Columbia Snake River System provide one-third of all the hydro capacity in the United States. They provide critical flood control benefits, supply water for irrigation, make it possible for farmers to barge their products -- wheat, apples, potatoes -- all across America and to countries around the world.

Unfortunately, not everyone sees it that way. We have dam-breaching advocates. And I am quite disappointed that President Biden, Governor Inslee, Senator Murray, and others are advocating that we tear out these dams. I am troubled by conversations happening right now at the highest levels of government with the Biden administration's Council on Environment Quality, CEQ, secretly coordinating with environmental groups behind closed doors, ignoring the voices of the people whose livelihoods depend on -- on this infrastructure.

Let me be clear. Breaching the Lower Snake River dams would permanently harm our way of life in Washington State, not to mention all the other States in the region that have come to rely on them.

Over the past 2 years, I have led a series of letters demanding transparency in this mediation process to ensure all voices are heard in the debate over the future of these dams. And I would like to remind our witnesses from the administration here today that Congress, Congress alone has the authority to change the operations of these federally operated Snake River dams. This was a Federal investment. These are federally operated dams, and that is why I have introduced legislation to protect the dams and the many benefits that they provide.

As we work towards a final outcome, we must consider all the facts, prioritize transparency, and utilize sound science and input from Tribes, industry groups, people in the Pacific Northwest, not just a small group of those organizations or officials that seem to want to rip out the dams.

Hydropower is vital. It has been -- it has been around for a while in the Pacific North -- well, actually in every State in the country. But it is vital to our way of life. It is vital to controlling the flooding that used to take place. It is vital to lowering energy costs, enhancing grid reliability, and ensuring that America will be and continue to be the leader in reducing carbon emissions.

So I look forward to the discussion today, and I thank everyone for being here.

And I yield back.

[The prepared statement of Chair Rodgers follows:]

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Mr. Duncan. I will now recognize the ranking member of the full committee, Mr. Pallone, for 5 minutes.

Mr. Pallone. Thank you, Mr. Chairman.

Hydropower is the oldest source of renewable and carbon-free energy. It provides essential baseload electricity, powering about 6 percent of our Nation's grid. It is the single most important source of power in States like Washington and Oregon, and plays a vital role in New York, California, and many other States.

Hydropower is also crucial to our ongoing efforts to combat the worsening climate crisis, but it does so at a cost. Dams can be incredibly destructive to sacred Native American lands and waters, can cause damage to the environment, and can negatively impact local fish and wildlife.

And that is why it is so important to listen to a variety of perspectives when discussing hydropower. And while I appreciate the witnesses before us today, there are some important perspectives in this conversation that are missing.

The National Marine Fisheries Service and U.S. Fish and Wildlife Service are key regulators. The Federal Power Act grants them authority to add conditions to hydropower licenses to ensure that endangered species are not adversely impacted by projects, but they are not here today. State resource agencies also play an essential role in the hydropower licensing regime, but they are also missing. And perhaps, most important, there are no voices representing Tribal stakeholders. Considering the Republican bill before us makes changes to section 4(e) of the Federal Power Act that helps protect Tribal lands, theirs is a crucial perspective, and it too is missing.

I bring this all up to emphasize a crucial point, that when Congress has passed

hydropower reform legislation in the past, it has done so working together to create stakeholder consensus. Unfortunately, the bill before us today sorely lacks that consensus.

The bill guts vital environmental protections in the Federal Power Act. It completely exempts any dam under 40 megawatts and licensed since 1986 from the licensing or relicensing process, an exemption that under the text of the bill would never expire. Exemptions were originally created to be narrowly tailored to incentivize new hydropower, not an escape hatch to let already existing dams dodge the relicensing process entirely.

The bill also creates a new licensing process for a poorly defined and overly broad class of hydropower projects, requiring the FERC to make licensing decisions within 2 years of a project's first engagement. It also sets out a series of deadlines for Federal and State agencies that FERC is required to consult with, and compels FERC to fine other agencies $5,000 per week if they are unable to meet those deadlines.

So, typically, an agency would only be unable to meet a deadline set out by FERC if it were understaffed, underresourced, or unable to get vital information from the license applicant. So under this bill, if an agency is so underresourced that it is unable to process applications in a timely fashion, Republicans want us to take even more resources away from that agency. And that defies logic and will do nothing to actually remedy the problem of hydropower relicensing timelines.

In fact, a FERC analysis in 2017 found that projects that took more than 2 years for licensing or relicensing typically did so because they were larger, more complex projects that triggered a large scope of issues. And these projects often needed more information from the applicant than the applicant had initially provided.

And, finally, I want to point out that this bill is not the only proposal that exists to reform the hydropower relicensing process. As we heard last year at a hearing when Dems were in the majority, the uncommon dialogue process has brought together stakeholders from industry, Tribal nations, environmental groups, and fish and wildlife organizations to find a path forward on relicensing.

And while I remain concerned about some of the specific provisions within the Uncommon Dialogue proposal, that process is how we find policy changes that actually stand a chance of making it into law. So if Republicans were serious about finding a path forward on hydropower relicensing, they would have used that Uncommon Dialogue proposal as a starting point.

Hydropower relicensing is important for us to address, but it must be done through a deliberate, thoughtful process that produces bipartisan legislation that has a chance of being signed into law. By contrast, the bill before us today was produced through an industry-dominated partisan process. Whenever the path forward looks like that, it will not look anything like this bill.

And I yield back, Mr. Chairman.

[The prepared statement of Mr. Pallone follows:]

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Mr. Duncan. The gentleman yields back.

We will now conclude with the member opening statements.

The chair would like to remind members that pursuant to the committee rules, all members' opening statements will be made part of the record.

I want to thank all of our witnesses for being here today and taking time to testify before the subcommittee. Each witness will have an opportunity to give an opening statement, followed by a round of questions from the members.

There are some lights in front of you, you know, 5 minutes. It will go to yellow as you are getting close. When it gets to red, you need to wrap up. I don't want to gavel anybody down, but we need to try to stay on time. So I ask you to try to stay within the 5 minutes.

Our witnesses today, Mr. Terry Turpin, director of the Office of Energy Projects at the Federal Energy Regulatory Commission; Mr. John Hairston, the administrator at Bonneville Power Administration; Mr. Thomas Smith, chief operating -- chief of Operations and Regulatory Division for the U.S. Army Corps of Engineers; and Mr. Matt Lee-Ashley, chief of staff for the Council on Environmental Quality.

We appreciate you being here.

I will now recognize Mr. Turpin for 5 minutes for an opening statement.

STATEMENTS OF TERRY TURPIN, DIRECTOR OF THE OFFICE OF ENERGY PROJECTS, FEDERAL ENERGY REGULATORY COMMISSION; JOHN HAIRSTON, ADMINISTRATOR, BONNEVILLE POWER ADMINISTRATION; THOMAS P. SMITH, CHIEF OF OPERATIONS AND REGULATORY DIVISION, ARMY CORPS OF ENGINEERS; AND MATT LEE-ASHLEY, CHIEF OF STAFF, COUNCIL ON ENVIRONMENTAL QUALITY

STATEMENT OF TERRY TURPIN

Mr. Turpin. Well, thank you very much.

Good morning, Chairman Duncan, Ranking Member DeGette, Chair Rodgers, Ranking Member Pallone, and members of the subcommittee. My name is Terry Turpin, and I am director of the Commission's Office of Energy Projects. This office is responsible for taking a lead role in carrying out the Commission's responsibilities and reviewing infrastructure projects, those related to non-Federal hydropower, interstate natural gas pipelines and storage facilities, and liquified natural gas facilities.

I appreciate the opportunity to appear before you to discuss the Commission's role in hydropower permitting and oversight. As a member of the Commission's staff, the views that I express and the testimony and in my statements are my own and not necessarily those of any commissioner -- of the Commission or any individual commissioner.

In accordance with the Federal Power Act, the Commission currently regulates over 1,600 non-Federal hydropower projects, comprised of over 2,500 dams. The Commission's work generally falls into three categories: licensing, administration and

compliance of those licenses and, finally, dam safety.

The Commission serves as the lead agency in all FPA hydropower proceedings and sets schedules for those proceedings. Prior to issuing a decision on a license application, the Commission conducts reviews of project works and, as the lead agency, prepares the documentation required under the National Environmental Policy Act.

Licensing proceedings under the FPA are multifaceted and complex, requiring the Commission to consider and balance many competing interests. As the Commission has noted in multiple reports, policy statements, and rulemaking since 2001, it is the complexity of the resource issues and the amount of available information about project impacts that set the stage for whether the regulatory process is simple or short, long and complex.

Section 10(a) of the Federal Power Act establishes the comprehensive development standard which each project must meet to be licensed and which appears to be unique among Federal -- among infrastructure permitting requirements. Under this standard, a licensed project must be best adapted to a comprehensive plan for improving and developing a waterway, not only for waterpower development, but also for the protection and enhancement of other beneficial public uses.

Public uses for these waterways include irrigation, flood control, fish and wildlife protection or enhancement, water supply, and recreation, in addition to the water power -- in addition to power generation. These uses are often in direct competition for the waterway uses -- resources associated with a project.

To meet the statutory requirements of balancing these competing uses, the Commission must explore all issues relevant to the public interest, including both those associated with the water power development and those associated with these other

uses on the waterway.

In addition to its duties under the Federal Power Act, the Commission must also ensure compliance with other statutes, such as the Coastal Zone Management Act, the National Historic Preservation Act, the Endangered Species Act, and the Clean Water Act. Although the Commission incorporates these processes into the project review schedule, their timing is generally outside of the Commission's control.

The requirements of these acts, in addition to the FPA, give other agencies a significant role in the licensing process, but do not require them to balance their legislatively determined priorities in the same manner as the Commission must do under the FPA.

The licensing process has evolved over the years as the agency has sought to address the issues that participants from every part of the process have identified. We have established three licensing processes and procedures that allow an applicant to request the process it believes best suited to its individual circumstance. Each of the licensing processes is designed within the confines of the existing statutory scheme to accommodate the agency and stakeholder consultation needed to develop a record for a durable licensing decision.

Commission staff remains committed to working with all the agencies and stakeholders to address licensing compliance and dam safety to ensure the most effective processing of energy infrastructure matters before the Commission.

That concludes my remarks, and I would be happy to answer any questions you have.

[The prepared statement of Mr. Turpin follows:]

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Mr. Duncan. I thank the gentleman.

I will now recognize Mr. Hairston for 5 minutes.

STATEMENT OF JOHN HAIRSTON

Mr. Hairston. Good morning, Mr. Chairman, members of the subcommittee. I am --

Mr. Duncan. You need to cut your mike on. If you just --

Mr. Hairston. All right. Thank you.

Good afternoon or good morning, Mr. Chairman and members of the subcommittee. My name is John Hairston, and I am the administrator and CEO of the Bonneville Power Administration. I am pleased to be with you today to describe the role of the Federal Columbia hydropower in the economic strength of Pacific Northwest communities.

Bonneville Power Administration was created in 1937 by President Franklin Roosevelt to distribute hydropower from the dams being built by the Bureau of Reclamation and the Army Corps of Engineers on the Columbia River. Those were Grand Coulee Dam in central Washington State and Bonneville Dam, just upriver from Portland, Oregon. Today, Bonneville markets the power from 31 Federal dams and one nuclear plant. We own and operate over 15,000 circuit miles of high-voltage transmission lines spanning the Northwest and connecting the Western grid from British Columbia to the north, California to the south, and Montana to the east.

As a steward of the Columbia River Power System, Bonneville also shares in the

protection and enhancement of fish and wildlife populations affected by the Columbia River dams. Bonneville is a public, not-for-profit entity charged with marketing Federal electric power at cost with the preference for publicly owned utilities in the Northwest.

The Biden-Harris administration has not yet provided a statement of administration position on H.R. 4045, the Hydropower Clean Energy Future Act, so I am unable to speak specifically about provisions of that proposed legislation. However, I am able to speak to the Federal hydropower operations and investments that provide significant economic and clean energy benefits to our region.

The dams of the Federal Columbia River Power System are operated to meet multiple specific purposes, including flood risk management, navigation, hydropower generation, irrigation, fish and wildlife, recreation, and municipal and industrial water supply.

Low-cost Federal hydropower has brought major benefits and opportunities to this region's economy since the times of the Great Depression and World War II. Today, Federal power continues to serve many remote rural communities across the Northwest where there are few other economic advantages for industry or businesses.

The new manufacturing economy in much of the Northwest is more technologically advanced than ever, and these manufacturers depend on reliable electricity with stable voltage and near zero interruptions.

The Columbia River Power System is also called upon to play a central role in the clean energy transformation of larger regional electric systems. Hydropower offers adaptable, operational capability needed to integrate variable resources like wind and solar reliably and at low cost. Hydrogeneration is uniquely capable of ramping up and down, on demand, and within very short periods of time to balance the variable output of

other renewable resources.

Additionally, the capabilities of hydropower systems are critical to maintaining the reliability of the regional electric power system during periods of extreme weather in peak demand. Extreme weather events in our region, both winter cold snaps and summer heat waves, are usually the product of high-pressure systems parked over the interior west. These weather systems produce little to no wind and usually last for multiple days. The hydro system is able to carry operating reserves and provide sustained peaking generation to meet regional electricity demand when it is needed the most.

Bonneville's mission also includes addressing the environmental impacts of the Columbia and Snake River dams, especially to the Columbia River Tribal communities.

The Columbia River Power System is unique in the extensive modification and operational changes made for the protection and enhancement of fish and wildlife. Bonneville works in partnership with Columbia River Tribes, Northwest States, and local communities in these efforts.

Since the passage of the 1980 Northwest Power Act, Bonneville has invested billions of dollars to improve fish passage, dam operations, as well as offsite mitigation investments and habitat restoration.

In conclusion, Mr. Chairman, I am pleased to say that the Federal hydropower remains the cornerstone of the Pacific Northwest's clean energy economy. It will continue to do so for decades to come through prudent investment and stewardship.

I appreciate the opportunity to provide testimony to you today, Mr. Chairman, and will be happy to respond to any questions. Thank you.

[The prepared statement of Mr. Hairston follows:]

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Mr. Duncan. Thank you, Mr. Hairston.

I will now recognize Mr. Smith for 5 minutes.

STATEMENT OF THOMAS P. SMITH

Mr. Smith. So good morning, everyone.

Chairman Duncan, Ranking Member DeGette, and distinguished members of the committee, I am Thomas Smith, the chief of Operations and Regulatory for the Army Corps of Engineers. I am honored to testify before you today, and thank you for the opportunity to discuss the Army Corps of Engineer's role in enabling hydropower generation and development across the Nation.

Today, I look forward to discussing the status of our efforts in maintaining our fleet of Federal hydropower assets, as well as efforts to enable development of non-Federal hydropower at our Corps nonpowered dams.

We greatly appreciate the committee's continued support of the Corps' hydropower program. The Corps operates and maintains the largest hydropower fleet in the Nation. This includes 75 hydropower projects with over 350 hydroelectric generating units, generating with capacity of 20,000 megawatts of power. In 2022, these Federal assets generated over 70 billion kilowatt hours of renewable energy, enough to power over 6 million average American households.

Over the past 5 years, in partnership with the Department of Energy's Power Marketing Administrations and our preference customers, we have invested over $2 billion in capital improvements for our Federal hydropower assets. These investments

have ensured additional decades of reliable and renewable hydropower generation and have resulted in a 25 percent reduction in forced outages over the past 5 years.

In addition to the Federal hydropower fleet, non-Federal interests have constructed hydropower at 69 of our Corps-owned projects. These 69 operational projects contain 199 hydroelectric generating units with a total installed capacity of over 2,500 megawatts.

In 2020, the Corps identified 193 of our dams with high potential for development. These identified dams represent a total potential capacity of 4,500 megawatts, almost doubling the capacity of non-Federal hydropower currently operational at our projects.

Annually, the Corps spends approximately $1 million on the technical and engineering reviews required when adding non-Federal hydropower to our existing dams. The Corps and the Federal Energy Regulatory Commission, through a memorandum of understanding signed in 2016, mutually cooperated in the facilitation of non-Federal hydropower development.

I will conclude by saying, delivering the Corps hydropower program is a shared responsibility. We use our engineering expertise and build upon relationships with Federal partners, developers, power customers, and Congress to enable us to succeed. I look forward to continue our collaboration as we continue to provide reliable and renewable hydropower to our Nation.

Thank you, Chairman Duncan, Ranking Member DeGette, and members of the committee. And I look forward to answer any questions you may have.

[The prepared statement of Mr. Smith follows:]

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Mr. Duncan. Thank you, Mr. Smith.

Mr. Lee-Ashley is recognized for 5 minutes.

STATEMENT OF MATT LEE-ASHLEY

Mr. Lee-Ashley. Good morning. Thank you, Chairman Duncan, Ranking Member DeGette, and all the members of the committee who are here today.

My name is Matt Lee-Ashley, and I serve as chief of staff for the Council on Environmental Quality.

CEQ was created by Congress in 1969 to advise the President on environmental and natural resource policy matters, to guide the implementation of the National Environmental Policy Act, and to coordinate efforts across Federal agencies to protect public health and the environment for America's communities.

At the start of this administration, the President directed Federal departments and agencies, including CEQ, to help rapidly expand renewable energy production and cut carbon pollution. Expanding responsibly sited hydroelectric production is a key element of this clean energy strategy. Hydropower is reliable, flexible, and dispatchable. When appropriately sited and operated, hydropower can provide multiple benefits at local, regional, and national scale.

Thanks to the Bipartisan Infrastructure Law, our Nation is investing almost $3 billion to help expand hydropower capacity in the U.S., incentivize environmental enhancements at existing dams, and improve the safety of the Nation's dam infrastructure.

Just a couple weeks ago, the Department of Energy announced $13 million from the Bipartisan Infrastructure Law to fund seven advanced hydropower research and development projects around the country.

The Inflation Reduction Act is also a major accelerator of hydropower. The law is providing critical financial incentives to accelerate the deployment of advanced hydropower technologies, the construction of pump storage, and the powering of nonpowered dams.

At CEQ, we are working to help speed renewable energy deployment in a variety of ways, including by helping lead the administration's permitting action plan, alongside the Office of Management and Budget and the Federal Permitting Improvement Steering Council. In particular, we are focused on helping improve both the efficiency and effectiveness of environmental reviews so that projects are designed well, built swiftly, and meet the needs of communities.

The reforms to the National Environmental Policy Act that Congress passed earlier this year on a bipartisan basis as part of the Fiscal Responsibility Act are important to that permitting reform agenda. So too are the much needed permitting investments, $1 billion dollars, that the Inflation Reduction Act has delivered to ensure that agencies have the people and resources they need to move permitting processes swiftly.

But there is more work to do. We believe it is important to explore ways to further improve permitting. Efforts to improve Federal permitting and licensing processes for hydropower facilities should aim to improve the effectiveness of review processes. This would help ensure that projects are designed well, informed by community input, and achieve positive environmental outcomes. It is also important to improve the efficiency of review processes. This helps ensure that appropriate projects

are built and decisions are made in a timely manner.

The legislation being discussed today includes several provisions that are consistent with these goals. It also contains some provisions with which we have some concerns. Overall, however, we appreciate the conversation today and support congressional efforts to increase renewable energy production in a manner that protects the health of the Nation's waters, wildlife, and communities.

Thank you again for the opportunity to be here today.

[The prepared statement of Mr. Lee-Ashley follows:]

******** COMMITTEE INSERT ********

Mr. Duncan. I want to thank the witnesses for their testimony.

We will now enter the question-and-answer portion of today's hearing, and I will begin by recognizing myself for 5 minutes.

As I mentioned in my opening statement, hydropower licensing is one of the most complex and bureaucratic licensing processes in the United States. The NEPA review is one of the biggest hurdles. The Fiscal Responsibility Act passed earlier this year included the most significant amendments to NEPA since 1982.

Chair Rodgers and I sent a letter to FERC earlier this month to understand what changes FERC is making to comply with the new law. We just received a response which noted the, quote, current reviews are generally consistent with the Fiscal Responsibility Act, period, unquote.

If FERC doesn't believe it needs to make any changes to its environmental reviews, then I am concerned that FERC is not following the law.

Mr. Turpin, did FERC share its response to the committee with the White House, CEQ, or any other Federal agency?

Mr. Turpin. I don't know, Senator -- I don't know, sir. I am not in those circles that would be doing it.

Mr. Duncan. Well, will you respond to this question for the record after the hearing, whether they --

Mr. Turpin. Yes. Thank you. I will follow up.

Mr. Duncan. Thank you so much.

FERC's letter didn't address whether it would update its guidance or regulations so the American people understand how FERC intends to comply with the NEPA

amendments.

Will you commit to updating FERC's guidance?

Mr. Turpin. Yes. I mean, the letter, as I understand it -- and my office is the one that is principally doing the reviews to see how we change our processes. What the letter was trying to express is that the -- not many changes are needed, not that none are needed or that the Commission wouldn't do them, but not many were needed because we were already doing much of that and most of that. For the stuff that we weren't, we are looking at how we shift things around to comply. So the full intent --

Mr. Duncan. There is some ambiguity there. We will just try to clarify that going forward.

Mr. Lee-Ashley, what changes has CEQ made to its guidance to agencies regarding the NEPA amendments?

Mr. Lee-Ashley. Thank you, Mr. Chairman, for the question.

First, the new law is in effect immediately, and so all agencies are required to uphold and implement the NEPA reforms that were in the Fiscal Responsibility Act. CEQ is also in the process. We have proposed a rule to fully implement the reforms that were in the National Environmental Policy Act, reforms to the National Environmental Policy Act that recently passed Congress. That proposal is open for public comment currently, and we are hoping to finalize that rule as soon as possible.

Mr. Duncan. Do -- does CEQ's guidance apply to FERC which is an independent agency?

Mr. Lee-Ashley. FERC is an independent regulatory agency. They must follow the law. They typically consult with us when needed, when they have questions. But we do provide support as needed to their work.

Mr. Duncan. Thank you for that.

CEQ's core responsibility is to coordinate Federal and environmental reviews.

Have you reviewed FERC's procedures, and do you believe FERC is compliant with the NEPA amendments without making any changes?

Mr. Lee-Ashley. Again, FERC is an independent regulatory agency, and so we would provide some support to them if they requested some consultation on their policies and procedures. And so we will, again, be getting our proposed -- our final rule in place soon, we hope, which will help provide further guidance and clarity to all agencies on how to effectively implement the new law.

Mr. Duncan. Thank you for that.

I talked to Mr. Turpin earlier about Buzzard's Roost projects. I am not going to get into those questions. I am just going to ask, once again, that you guys will keep my office informed as to the process. It has taken way too long. It has cost way too much money for a county and a project the size it is.

So I am going to yield back my time. And I will recognize Ranking Member DeGette for 5 minutes.

Ms. DeGette. Thank you so much, Mr. Chairman.

So -- so I -- as I said in my opening statement, I really think we need to streamline licensing and permitting processes, but we need to do that not at the expense of environmental law and degradation of capacity at the Federal and State agencies.

So, Mr. Lee-Ashley, I want to ask you a couple questions. The Fiscal Responsibility Act established accelerated -- an accelerated 2-year timeline for environmental reviews. Is that right?

Mr. Lee-Ashley. Correct. They established the 2-year timeline for

environmental impact statements and a 1-year timeline for environmental assessments.

Ms. DeGette. Okay. And CEQ is supportive of efforts to streamline permitting and to cut down on duplicative studies, where appropriate, to encourage timely application review. Is that right?

Mr. Lee-Ashley. We are, yes.

Ms. DeGette. Now, in your written testimony, you mentioned concerns about expanding exemptions for projects up to 40 megawatts and proposed capacity, and I share those concerns.

So in your opinion, what risks do we expose ourselves to by expanding the exemption for projects up to 40?

Mr. Lee-Ashley. Thank you for the question. It is important to note that FERC's current process for granting an exemption is subject to NEPA. So they will consider environmental impacts when deciding whether to grant an exemption. Under the proposed legislation, FERC would not be required to follow NEPA in determining whether to grant an exemption. And so we are concerned that there would be limited or no environmental review and public input on a set of -- a large set of hydropower projects.

Ms. DeGette. Yeah. And another aspect of this bill, which I mentioned in my opening statement, that I find really troubling is this provision that would rescind $5,000 a week from agencies who fail to meet the timelines laid out in the bill, irrespective of the reason why.

You also talked about this in your written testimony. So I am curious, What would the practical effects of this type of penalty be?

Mr. Lee-Ashley. So, again, we support having clear timelines that are published so that everyone can understand the process that is -- that happens with permitting.

What can happen, however, if there are financial penalties, one concern that we have is that it will create some pressures and incentives that may result in agencies cutting corners and ultimately resulting in heightened litigation risk, which could result in further delays to projects.

Ms. DeGette. Is -- I mean, is there a way to -- to structure the law so that -- that you are encouraging timely completion of these reviews but also giving people -- the agencies the opportunity to -- for more time if some -- some unforeseen circumstance arises?

Mr. Lee-Ashley. For a wide range of infrastructure, currently, major infrastructure projects that are managed by the Federal Permitting Improvement Steering Council, there are clear schedules and timelines posted publicly. And then there is a process through which FPISC, the permitting council, works to try to understand why there may be delays and troubleshoot projects.

Sometimes the delays happen to be on the project side, and so that is -- we are finding a very effective way to move projects forward in an expeditious manner.

Ms. DeGette. Thank you.

I just want to move to FERC for a second. As the lead agency in all Federal Power Act hydropower proceedings, FERC had a tremendous responsibility when it comes to hydropower. So, Mr. Turpin, in your testimony, you mentioned that FERC is processing 155 pending applications. And based on license terms of existing projects, FERC anticipates a significant increase in relicensing proceedings. Is that right?

Mr. Turpin. That is correct.

Ms. DeGette. And so do you anticipate additional challenges coming to this increase in relicensing proceedings?

Mr. Turpin. I think for us, we have known it is coming. I mean, you know when the expirations are, and so we forecast out the workload and the kind of staff we will need. We have made positions -- increased those positions. I think where there is uncertainty is what it does with other agencies who may not be as equally positioned.

Ms. DeGette. So what do you think the best way to address these challenges to make sure that we can move through this process in a -- in a speedy way?

Mr. Turpin. Yeah. It comes back to the same thing we have worked at for years, which is the communication and interagency relationships all working on the process together.

Ms. DeGette. Great. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. Duncan. The chair will now recognize Mr. Latta for 5 minutes.

Mr. Latta. Thank you, Mr. Chairman. And thanks to our witnesses for being with us today.

Mr. Hairston, in your testimony, you speak of the important role that hydropower plays in maintaining the electric grid's reliability. This subcommittee has been raising the alarm on government efforts and policies that are forcing the closure of baseload power sources which are absolutely essential for our manufacturing facilities.

If bureaucratic hurdles remain in place to jeopardize existing Federal hydropower facilities and when the permitting process for non-Federal facilities continue to stretch for over a decade, how will this impact the reliability of the grid and energy costs for consumers?

Mr. Hairston. Thank you for the question, Mr. Latta. So in terms of the need for hydropower and the resilience of the system, hydropower is critical because, like I said

in my testimony, it allows us to be able to meet the demands of the variable resources that we are bringing into the system. So if the wind isn't blowing or the sun isn't shining and we are not getting wind or solar, hydro is able to shape the system in a reliable and stable manner. And so making sure that we maintain these resources is critically important.

Mr. Latta. Let me ask a followup on that.

Has BPA been forced to raise rates over time because of maybe the delays that are occurring and not being able to get hydropower online?

Mr. Hairston. BPA specifically has not, I think, had to raise rates as a byproduct of other entities having to relicense or get hydropower online.

Mr. Latta. Okay. Thank you.

As the co-chair of the Grid Innovation Caucus, I am also in support of implementing policies that would allow for the private sector to innovate in the technologies they are using to power the electric grid.

And not so long ago I had an opportunity in my home county to see one innovator from Bowling Green State University is looking at using artificial intelligence to drive its fish shoring operation at their -- at the agriculture incubator experimental site. This technology would be a potential application to route fish on fish ladders around hydro facilities.

So I think, you know, the technology is advancing. Thus, American ingenuity can solve problems that satisfy those interested in protecting the environment, while maintaining the ability to produce cleaner, reliable energy.

Mr. Hairston, what are some of the examples of the new technologies that hydro operators are utilizing to make power generation and transmission more efficient?

Mr. Hairston. Thank you for the question. So, you know, when we look at our hydro system, a number of things that we employ makes it more efficient and effective.

I would note, first of all, we are going through what we call technology or grid innovation. So we are finding new meters. We are using new technology to operate the system. That gets a lot more efficiency out of it. We are also implementing, in conjunction or partnership with the Army Corps of Engineers and Bureau of Reclamation, new infrastructure, hard infrastructure at our facilities, new turbine -- new turbines that are more efficient, runner replacements, things of that nature, that gets more out of the system.

On the transmission side, we are looking at getting more out of our lines and substations through improved capacitors and transformers. And then, also, we are looking at how is it we can get more out of the lines themselves to get -- to have them higher rated, to get more electricity across them.

So there is a number of areas that we are working with our partners, as well as other labs, like EPRI, to get a little bit more understanding of where we can improve technology.

Mr. Latta. Thank you.

Mr. Turpin, would you describe some of the next-generation hydropower technologies that you have seen at FERC?

Mr. Turpin. Well, what we typically see folks coming in with projects are to rehab older turbines and things of that nature. We have also seen and had a number of pilot projects where folks are looking at marine hydrokinetic.

Mr. Latta. Okay. And do you agree with the goal of the chairwoman's legislation to reform and streamline the relicensing process to boost innovation in

hydropower technologies?

Mr. Turpin. Certainly.

Mr. Latta. Okay. Well, thank you very much, Mr. Chairman. I will yield back the balance of my time.

Mr. Duncan. The gentleman yields back.

And the chair will now go to -- Mr. Pallone is not here. So we will go to Ms. Matsui for 5 minutes.

Ms. Matsui. Thank you very much, Mr. Chairman.

I want to thank the witnesses for being here today also.

In Sacramento, our local utility, the Sacramento Municipal Utility District, affectionately known as SMUD, gets 22 percent of electricity from hydropower. The majority of that comes from the Upper American River Project which recently completed the relicensing process. It took 14 years.

Hydropower is essential to meeting our clean energy goals in California and across the country. This is not a partisan issue. We can and should reach a bipartisan agreement to reform hydropower licensing.

There is currently a bipartisan proposal in the Senate, S. 1521, the Community and Hydropower Improvement Act, which represents years of work by the hydropower industry, environmental groups, and Tribes to build a consensus. We should be discussing that bill here today.

The bipartisan proposal includes several important safety and environmental reforms that are not included in the Hydropower Clean Energy Future Act. This includes directing FERC to consider how expected changes to hydrologic conditions may impact a project.

In California, climate change is making extreme rainfall events more frequent and more intense, changing how we operate dams and even threatening the integrity of certain dams.

Mr. Turpin, yes or no, is a licensing process an important part of ensuring non-Federal dams are safe?

Mr. Turpin. Yes.

Ms. Matsui. Yes or no, is it important for FERC to consider reasonably foreseeable changes to hydrologic conditions in the licensing process?

Mr. Turpin. Yes.

Ms. Matsui. I was glad to see this language in the bipartisan bill, and I encourage my colleagues to include it in this House bill.

According to DOE, the U.S. will need up to 460 gigawatts of long-duration energy storage by 2050. Pump storage hydropower is currently the only long-duration energy storage technology that is deployed at scale. However, we haven't built new pump storage facilities at significant scale in decades.

Mr. Turpin, when was the last pump storage facility built with a capacity larger than 100 megawatts?

Mr. Turpin. That, I don't know. I know the majority of them were built in the seventies.

Ms. Matsui. Okay. Well, could you get back to me with maybe --

Mr. Turpin. Absolutely.

Ms. Matsui. -- more information?

But we have seen a surge of new projects in recent years. How many new U.S. pump storage projects are currently in the development pipeline?

Mr. Turpin. At this time, the Commission is -- has three pending applications and about seven projects in prefiling.

Ms. Matsui. Seven projects. Okay.

The bipartisan Community and Hydropower Improvement Act would establish a new expedited licensing process for closed-loop pump storage projects to help advance these important projects, while still providing the necessary environmental and safety reviews.

The Hydropower Clean Energy Future Act would establish several broad exemptions from FERC licensing, including hydropower facilities smaller than 40 megawatts. This is a dangerous loophole that would have significant consequences.

Mr. Turpin, what percentage of current hydropower facilities in California are smaller than 40 megawatts?

Mr. Turpin. I don't have the California number. I would be happy to get back with you. But our -- of the existing fleet that FERC regulates, 80 percent are less than 40 megawatts.

Ms. Matsui. Okay. Many fish species in California are already facing significant and persistent population declines.

Mr. Lee-Ashley, yes or no, are you concerned that exempting this many dams from the licensing process could threaten the recovery of California fish populations?

Mr. Lee-Ashley. I would say generally across the country, yes.

Ms. Matsui. Okay. Mr. Turpin, would the 40 megawatt exemption reduce safety oversight of exempted dams?

Mr. Turpin. Not as I read the legislation.

Ms. Matsui. Okay. That is all I have right now. I yield back.

Mr. Duncan. I thank the gentlelady for yielding back.

I will now recognize the chair of the full committee, Mrs. Rodgers, for 5 minutes.

The Chair. I am deeply troubled over how the White House's Council on Environment Quality has handled the mediation negotiations on the future of the Lower Snake River dams and the entire Columbia Snake River System. This is critical Federal energy infrastructure.

The process was supposed to be conducted in a fair and inclusive manner. Instead, the voices of many of my constituents, regional partners, businesses, farmers, and families that rely on the dams for affordable and reliable electricity, have been excluded.

Mr. Lee-Ashley, yes or no, will you provide a list of all the meetings that CEQ has been involved with relating to the Lower Snake River dams, as well as a list of all the participants in those meetings?

Mr. Lee-Ashley. Thank you, Madam Chair.

Yes, we have met with a lot of stakeholders, tried to hear lots of different perspectives. We are actually -- CEQ is not actually managing the mediation itself. It is the Federal Mediation and Conciliation Service that manages the mediation in the ongoing --

The Chair. Is not CEQ chairing that mediation?

Mr. Lee-Ashley. No. CEQ coordinates Federal agencies and our work across agencies to advance salmon restoration and to address the many challenges in the Columbia River system.

The Chair. Okay. Is coordinating leading?

Mr. Lee-Ashley. I would say "coordinating" is a good word to describe it because

each of the agencies has their own statutory mandates and we try to make sure agencies are talking to each other and working --

The Chair. Can I get a list of all the meetings and who has been participating?

Mr. Lee-Ashley. Be more than happy to be responsive to oversight on this, Chair.

The Chair. Thank you.

NOAA -- you know, last September, NOAA concluded in a report CEQ requested that breaching the dams must be a, quote, centerpiece action to restore endangered salmon.

So question, Mr. Lee-Ashley, yes or no, did CEQ provide guidance, comment, or influence regarding the information included in this report?

Mr. Lee-Ashley. First, I will note that we have been involved in trying to encourage agencies and work with agencies to develop information to support the regional dialogue about the Columbia River system, including assessing the cost of the services that the dams provide currently -- the Lower Snake River dams provide currently. And NOAA did a report on salmon and fish stocks as well. And so, yes, we are supporting agency efforts to develop more information to inform the regional conversation.

The Chair. Okay. My understanding is that NOAA previously did not advocate for the breaching of the dams, but then this recent report from NOAA recommends breaching the dams.

Was CEQ involved in developing that recommendation?

Mr. Lee-Ashley. To be clear, neither the White House nor the administration has a position on potential breach of the Lower Snake River dams. That is ultimately a decision Congress would have to make, if it were appropriate at some time, at some point

in the future. So, again, we do not have a view on dam breaching at this time.

The Chair. Could -- well, in -- could -- do you believe that dam breaching could be a term of the mediation agreement?

Mr. Lee-Ashley. Only Congress can decide whether to breach those dams. Currently, what we have been doing is working with other agencies to develop information, scientific information, and cost estimates --

The Chair. So do you --

Mr. Lee-Ashley. -- to help inform the conversation.

The Chair. So do you think that it could be a term of the mediation, yes or no?

Mr. Lee-Ashley. I don't have any information about what is happening in the mediation currently.

The Chair. So is not CEQ leading the Federal agencies in that mediation process?

Mr. Lee-Ashley. We are helping coordinate participation. Ultimately, the Department of Justice interfaces with the plaintiffs and the defendants in this litigation which, as you know, has been going on for sometime.

The Chair. Okay. I am going to move on.

Mr. Hairston, what has been BPA's role in this mediation process, and do you believe that all stakeholder's viewpoints are being heard and considered?

Mr. Hairston. Thank you for the question. BPA's role has been a participant as part of the broader USG to try to find a settlement with the plaintiffs. Our specific role is that we market the electricity from the Federal hydro system and, you know, the operations of which are something that is a question as part of the settlement.

The Chair. So just to recap, we know that these dams provide critical baseload energy, sending 16,000 megawatts to California last year. We know for a fact that wind

and solar can't replace the reliability of hydropower.

I am very concerned, Mr. Lee-Ashley, that CEQ and the Federal agencies are working against energy reliability in our region and, ultimately, it is against your -- their own climate goals when you are involved in jeopardizing 3,000 megawatts of clean energy sources in our region.

So I guess I would -- I would like to ask, does CEQ support breaching the four Lower Snake River dams?

RPTR MOLNAR

EDTR ZAMORA

[10:59 a.m.]

Mr. Lee-Ashley. Madam Chair, we don't have a position on that currently. We do very much support what you have noted, which is the importance of ensuring that all stakeholders have a voice and a view in this process because it matters deeply to many, many people.

The Chair. Okay. My time is expired. The stakeholders do not feel like their voices are being heard. So I urge you, as you move forward, to include all voices, all stakeholders, from the region in this mediation.

I yield back.

Mr. Duncan. The gentlelady yields back.

I now recognize the ranking member of the full committee, Mr. Pallone, for 5 minutes.

Mr. Pallone. Thank you, Mr. Chairman.

One of my many concerns about the bill before the committee -- or before the subcommittee is that in its fixation on timelines, it winds up taking shortcuts that are inconsistent with the vital environmental protections that we have embedded within current law.

Back in 2013, Congress passed a new law directing FERC to conduct a pilot program to license hydropower projects within 2 years, and in the report to Congress after the pilot concluded, FERC staff noted that one of the main barriers to a 2-year timeline was that companies would often not have complete information by the time they applied and, therefore, information was missing from the application.

So let me ask, Mr. Turpin, in your opinion, is it still the case that when hydropower licenses take more than 2 years to issue, the problem is either that the projects are incredibly complex or the applicant does not provide enough information in their initial application?

Mr. Turpin. That is the biggest driver, complexity, and that information needed.

Mr. Pallone. And the fact that the applicant does not provide enough information?

Mr. Turpin. Yes, the information needs as well.

Mr. Pallone. Okay. Now, that report to Congress also stated that FERC staff did not believe that Congress needed to make statutory changes to the Federal Power Act or other laws to grant FERC authority to ensure expected processing of license applications.

So, again, Mr. Turpin, do you agree with that statement?

Mr. Turpin. Yes. Over the last 15 years, we have had about a hundred projects that have been done in less than 2 years. It really does come back to the complexity and the information needs that are there. When you have all that, it is possible to get through the process rather expeditiously.

Mr. Pallone. And you don't think that Congress needs additional statutory changes to the Federal Power Act or other law to grant FERC more authority to achieve that goal?

Mr. Turpin. To achieve that goal? No -- I mean, I think the -- you know, it is a complex landscape, and it is all the various, myriad statutes that have to be complied with that generally start to play on the more complicated projects. So, you know, we don't need additional authority to be able to do something in under 2 years if the site is suitable for that. If the site is complex and the competing resource issues are complex, then it is

probably going to take more time, and I am not exactly sure what FERC can do, you know, to compel other agencies and stakeholders to move more fast -- to move more quickly.

Mr. Pallone. All right. Thank you.

Now, again, do you -- I am sorry. I wanted to ask you one more thing, touch on one major concern I have with the exemption process that the bill before us drastically expands.

Right now, FERC makes decisions related to the Endangered Species Act in consultation with State and Federal resource agencies, but the exemption process in the bill, which nearly any project over 40 megawatts could take advantage of, prevents FERC from consulting with those resource agencies.

So do you think FERC currently has the capacity and expertise to make determinations about whether or not new or existing hydropower projects jeopardize the habitats of endangered species?

Mr. Turpin. Well, as I read the legislation, the exemption provisions for the 40 megawatts and under didn't remove the requirement for FERC to comply with ESA. So we would still be engaged in those kinds of discussions, and it does have the provisions that Federal and State wildlife agencies can still provide the 30(c) mandatory conditions. So I think we would still be doing the same coordination that we are doing now.

Mr. Pallone. Okay. All right. I appreciate it. Thank you so much.

And with that, Mr. Chairman, I yield back.

Mr. Duncan. The gentleman yields back.

I will now go to Mr. Guthrie for 5 minutes.

Mr. Guthrie. Thank you, Mr. Chairman. Thank you for yielding me the time. And I appreciate you all for being here.

And I am from Kentucky, and we have 1,074 dams, and my counting, only 10 of those provide hydropower. There is 197 dams in my district, and I know only of one of them on the Ohio River that provides hydropower. And it seems like we are missing a great opportunity to have carbon-free baseload power. The river is always flowing, so we always have access to power and light, wind and solar, but we seem to dismiss this. That is why we are having this hearing today, and I appreciate that.

So, Mr. Turpin, I have a question for you. We have heard a lot about how complicated it is to get a licensing for hydropower and how many agencies are involved. And in 2016, FERC and the Army Corps took steps to establish a framework for early coordination and participation in environmental reviews with the MOU. How many projects have been licensed under the 2016 MOU?

Mr. Turpin. I am not aware that any have come in to use that MOU process.

Mr. Guthrie. Okay. That is what I thought. So now that Congress has amended NEPA, does FERC have plans to update the MOU?

Mr. Turpin. I am not sure that it really would need updating for any changes to the NEPA. I mean, the MOU was to streamline and overlap the Corps and the FERC processes. The outcome of that is the Commission generally can move forward with less design information than the Corps requires.

So I think the reason folks haven't come forward on that is there is a lot of detail design information that is needed for the later Corps processes that applicants aren't wanting to do at the time that they are at the Commission.

Mr. Guthrie. Then the MOU is not the issue. It is just getting the details to get a project approved. So Congress --

Mr. Turpin. The level of design --

Mr. Guthrie. -- doesn't have to further streamline?

Okay. So for Mr. Smith on the Corps perspective, in your experience, how has the MOU between the Army Corps and FERC worked? It sounds like there has been no -- there has been some attempts to get projects approved.

Mr. Smith. Thank you for the question. I think the MOU has established a framework to -- so that there is a clear understanding of where we can -- where we can achieve some efficiencies when a developer is prepared to provide information that can meet both FERC's requirements and the Corps'.

So it has established a framework that allows us to see all three -- all three entities -- the developer, the Corps, and FERC -- together, and all the steps required, in one place. So in that sense, the framework is always valuable, and it provides a way for dialogue.

So when we have had successes -- and I think Mr. Turpin mentioned there are some projects that have had successes -- they were probably largely meeting some of the type of expectations in the framework -- early involvement, communication, shared information, better hydraulic understanding -- that can be used both in common between the Corps and FERC.

So I think there are successes in having that MOU, whether somebody specifically says they are using the MOU or not.

Mr. Guthrie. So how do you interpret the NEPA amendments that were passed in the Fiscal Responsibility Act? Has that made it easier to get projects approved? It sounds like there has been -- still obviously none approved. And will the Army Corps modify its procedures according to those -- how has the Fiscal Responsibility Act, NEPA amendments affected the way you do business, I guess, to ask it in plain English?

Mr. Smith. So just a couple of pieces there. So -- so we are always updating our processes to better incorporate the type of information that CEQ or is passed in statute, to improve our processes. Now, is there a direct connection to a specific process on a non-Federal hydropower facility right now? I can't make that direct connection, because some of our responsibilities go into permitting the project under section 408, which is where we make sure that the project doesn't impact the statutorily authorized purpose of the project, which is sometimes different than the environmental review.

Mr. Guthrie. So there is a big effort on our side of the aisle, I know, to streamline permitting, to get projects done in a better way. Obviously, if it hasn't improved the ability to get things through with what happened in the Fiscal Responsibility Act, what further do we need to do to make it easier to get projects approved -- appropriately approved?

Mr. Smith. I think we have best practices --

Mr. Guthrie. Or, Mr. Turpin, you want to answer that too? Go ahead. Both of you.

Go ahead, Mr. Smith. You started. Go ahead.

Mr. Smith. Yeah. So we continue to learn and see best practices for how to improve our processes. I met with a developer last week in Pittsburgh, and they have an MOA that they have agreed to with the Corps that sort of where the developer provides a level of information that we help them understand we need, so that we can move more quickly on our part, which is this 408 part. It is not the license.

So there are best practices emerging every day that will enable us to continue -- and as we share those, to continue to improve to deliver this non-Federal

hydropower across the country.

Mr. Guthrie. Thank you. I am sorry, Mr. Turpin. My time is expired, so I will have to yield back. I appreciate it.

Mr. Duncan. I appreciate the gentleman, and he yields back.

I will now go to Mr. Tonko for 5 minutes.

Mr. Tonko. Thank you, Mr. Chair.

Let me begin by expressing my support for hydropower as an important part of our energy mix. On the Hudson River in the capital region of New York, we have a hydropower facility in Mechanicville that was built in the 1890s to power Thomas Edison's General Electric operations in Schenectady.

Two decades later, Edison convinced Henry Ford to build a hydro plant nearby on Green Island to power Ford's manufacturing in the region. Today it is the Green Island Power Authority that I represent.

And just a few weeks ago, I was able to visit the Curtis Palmer facilities in Corinth in Saratoga County, New York.

So I mention this because I have great appreciation for not only hydropower's contributions to our grid and our clean energy goals, but also it is a legacy of shaping the industrial history within my district.

And I do believe reforming the licensing process can indeed help hydropower reach its potential, but these projects must be developed responsibly, given the potential impacts on water quality, ecosystems, and wildlife.

So I hope we might be able to move forward, in a bipartisan manner, that brings together project developers and environmental stakeholders on potential reforms.

So, Mr. Turpin, I want to make certain I understand the bill before us in regard

specifically to provisions to allow FERC to grant exemptions for projects less than 40 megawatts.

I appreciate that 40 megawatts may seem small compared to many projects out West, but there are many sites in New York, including run-of-river projects in my district that are under this threshold. And I know despite their size, they can still have environmental impacts.

So, Mr. Turpin, can you explain what it means for a project under 40 megawatts to be exempted from the licensing process?

Mr. Turpin. Certainly. So for -- to start with, 40 megawatts, I think as I said earlier, that is probably going to cover about 80 percent of the licensed FERC projects out there. So it is a large percentage of the hydropower in the fleet.

In terms of what an exemption means, it has typically been exemption from the balancing of the competing resources that FERC has to do. It doesn't exempt the project from the safety review. We still conduct that on the 10 megawatts and the conduit exemptions that we have now, as well as it doesn't exempt it from all the other statutes that have to be complied with. There is still ESA compliance, 401 compliance, and the Clean Water Act, NHPA compliance. None of those are exempted.

It is just that the Commission doesn't have to do this balancing of these competing resources under section 10 of the Federal Power Act.

Mr. Tonko. Okay. So if a facility going through relicensing were to be exempted, would there still be an opportunity for a State or a resource agency to consider the project's impacts and recommend licensing conditions?

Mr. Turpin. Yes. I mean, the States would still have -- as I read the legislation, the States would still have the Clean Water Act 401 process for a water quality cert, and

the exemptions in the bill also would allow States to still supply their mandatory conditions under section 30(c).

Mr. Tonko. Well, I appreciate that, because these guardrails are extremely important. There are projects in my district, projects that I support, that were last relicensed many decades ago. And I believe that it is appropriate to understand just how environmental conditions may have changed during this time period and seek to require improvements, such as adopting the latest fish passage technologies and other mitigation measures.

So I certainly do not want the licensing process to be overly burdensome on small projects, but I do not believe potentially exempting them entirely is the right approach either.

So, Mr. Chair, I hope that we can think about these issues together and try to find common ground on bipartisan solutions that will support the continued responsible development and operation of hydropower all across our country. And with that, I thank you and yield back.

Mr. Duncan. The gentleman yields back.

I will now go to Mr. Griffith for 5 minutes.

Mr. Griffith. Thank you, Mr. Chairman.

I have been a booster of closed-loop storage projects for a while now, and I am very concerned that large Chinese electric-storage batteries are at a competitive advantage when compared to closed-loop pump storage like the Dominion Bath County project just outside of my district which is really just a big battery.

Mr. Lee-Ashley, the Commission on Environmental Quality, per the National Environmental Policy Act, was authorized as an environmental supervisor and adviser.

Has CEQ ever undergone or done a comparison of the environmental impact of closed-loop pump storage projects versus the 4- to 6-hour capacity grid scale battery likely manufactured in China and certainly manufactured with Chinese critical minerals.

Mr. Lee-Ashley. Thank you for the question. CEQ, we do provide policy guidance on implementation of the National Environmental Policy Act, but some of those questions and studies relating to particular types of energy systems are better for the Department of Energy to help do the analysis of. That would be a step of detail down from the typical guidance we would provide.

Mr. Griffith. But do you know of any studies they have done to compare the advantages and disadvantages of one versus the other?

Mr. Lee-Ashley. I would be happy to follow up. I do know that there is a lot of support for and interest in and appreciation of both renewable energy and storage benefits of closed-loop storage. So I appreciate the interest in it.

Mr. Griffith. And also in the right area it can be a big economic development. In Bath County, you know, Lake Moomaw is there, and it is actually one of the favorite spots, according to previous ads, when he was governor of, now Senator Tim Kaine, to go on vacation, to get a little time away from Richmond. So it has multiple advantages, I think.

Will you commit to working with FERC to update its guidance to the Federal resource agencies so they can comply with my 2-year expedited licensing bill that was passed into law as a part of America's Water Infrastructure Act in 2018?

Mr. Lee-Ashley. Yes. We are always happy to provide support and consultation to FERC.

Mr. Griffith. Appreciate that.

Director Turpin, hydropower has many positive attributes. It is clean, it is renewable, and best of all, it is American-made energy -- maybe God-made, but it is American-available energy, but it takes way too long to license.

According to a May 2022 report written by the National Renewable Energy Laboratory, there is, quote, technical potential for 35 tetro -- excuse me -- terawatts -- terawatt hours, TWH, of energy storage across 14,846 sites, end quote.

That is a lot of sites. How collaborative is your commission's relationship with CEQ?

Mr. Turpin. I am sorry, I didn't hear that last bit.

Mr. Griffith. How collaborative is your commission's relationship with CEQ? Opposite ends of the table here.

Mr. Turpin. So -- yeah. So, I mean, the Commission follows the CEQ regulations, and when we do have questions about them, we seek out CEQ guidance on how to interpret them.

Mr. Griffith. So you would say it is good?

Mr. Turpin. Yeah. Yes, sir.

Mr. Griffith. All right. Would you commit to continuing to work with CEQ to enforce FERC's license and application schedules and deadlines?

Mr. Turpin. Sure. Absolutely.

Mr. Griffith. All right. And would you please update this committee on your progress and alert us if the Commission encounters difficulties with a foot-dragging agency? If any of the agencies are dragging feet, will you let us know? That is what I am trying to ask.

Mr. Turpin. Absolutely.

Mr. Griffith. All right. I appreciate that.

With that, Mr. Chair, I yield back.

Mr. Duncan. The gentleman yields back.

I will now go to Dr. Schrier for 5 minutes.

Ms. Schrier. Thank you, Mr. Chairman.

Thank you to all of our witnesses for being here today.

Hydropower generation is of particular importance to my district and to Washington State. We are blessed by abundant hydropower. In fact, it makes up 67 percent of the energy mix in our State, giving us a jump start on net zero.

Thirteen of the contributing hydropower dams are located in my district, the Eighth District.

And while many renewable energy sources are intermittent and fluctuate in their capacity, hydropower is unique in that it can act as baseload power, giving Washingtonians clean, reliable, affordable energy that will keep us on track to meet our very robust and aggressive net-zero clean energy goals.

I am optimistic, as we talk about licensing, that there are bipartisan reforms that we can all agree would improve the relicensing process. In 2018, Congress passed the bipartisan Water Infrastructure Act by voice vote, that helped modernize FERC's licensing process for non-Federal hydropower dams, one of which significantly helped streamline relicensing for Rock Island Dam in my district, which generates 629 megawatts of capacity.

We have done it before, and I feel like in this committee, we can do it again.

Director Turpin, more than 40 hydropower facilities surrendered their licenses between 2010 and 2019. And though there are many good reasons why a dam might

give up their license, I believe it is our responsibility to reduce unnecessary barriers in the relicensing process so that hydropower remains a vital, vibrant, and growing part of the clean energy mix on the road to net zero.

Can you speak about some of the barriers in the relicensing process and areas where you see potential improvement that could garner support in both parties?

Mr. Turpin. So I think it comes back -- most of the difficulties that folks face in the permitting process all come back to the complexities of those competing resources on the waterway. I mean, section 10 of the Power Act requires the Commission to balance all of those, and most of those resource desires are in direct opposition to each other.

So I think it is that stakeholder engagement and the development of the information needed to sort of support striking that right balance that typically folks find to be most time-consuming in the permitting process.

Ms. Schrier. Thank you. I appreciate the attention to time there, and just want to reiterate the importance of all stakeholders having a voice there, including Tribes.

Another topic that I would love to touch on, just because it is very timely right now, is the Columbia River Treaty negotiations between the U.S. and Canada.

Since the 1960s, this treaty has set financial and legal terms for how water is guided from British Columbia down to Washington and Oregon for hydropower and flood control. The way we have paid for that flood control is by sending clean energy up to Canada, and there is all kinds of discussion about how fair that is.

I want to just drive home the point of flood control by explaining to my colleagues that flood control is not just controlling floods; it is also predictable flows for hydropower generation. It also is a way to help hydropower facilities that have invested hundreds of millions in salmon protection and bypass to be able to have flows that make those work

well. And this has a real direct effect on my constituents who are operating dams on the Columbia River.

I want to bring this up because Bonneville Power is at the negotiating table as an involved party of the U.S. entity. So, Administrator Hairston, it is good to see you again. As the relicensing process and others adapt to changing grid demands, I was just wondering how BPA is working with dam operators, specifically mid-Columbia operators, to coordinate domestic river operations and flows and assess possible changes that might come from a Columbia River Treaty.

Mr. Hairston. Yeah. Thank you for the question. We are actually working really closely with the mid-Columbia utilities on river coordination. In fact, we had the pleasure of meeting with them in Spokane recently to discuss how we would move forward with coordination around the Columbia River Treaty. So we are engaged in those discussions with them directly.

Ms. Schrier. Thank you. I appreciate that. I am sure they do too.

I yield back.

Mr. Duncan. The gentlelady yields back.

I now recognize the chair of the Environmental Subcommittee, Mr. Johnson, for 5 minutes.

Mr. Johnson. Thank you, Mr. Chairman. And I want to thank our panelists for being with us today. It is really important. This is an important topic.

I -- also, thanks to the chair of our full committee, who I know is particularly interested in the issues surrounding hydropower, and I appreciate her giving this the attention that it deserves.

The benefits of this critical energy source is well known. It is carbon-free. It is

an abundant baseload electricity source. It is renewables. It is a renewable source, as we know. But recently I learned that it has another important benefit.

According to the National Hydropower Association, hydropower represents about 40 percent of our Nation's, quote, black-start capability. This is an important ability to restart the electric grid, unassisted, after a major disruption or blackout.

Republicans on this committee have serious concerns that these types of events are increasing, largely driven by government policies that are taking reliable, dispatchable power generation, like gas and coal, off the grid prematurely. The bottom line is, we need to preserve the hydropower in this country.

Now, it is also well known that the relicensing process for hydropower facilities can cost millions of dollars and take many years. Facing this enormous hurdle, many operators of these facilities may just close them down instead, and some have in recent years.

Our committee chair, Chair Rodgers, has legislation to address this problem, and it is an urgent problem. We simply can't allow it to be compounded until it is too late.

So, Mr. Turpin, let me start with you if I could. You probably know that we had one of your colleagues testify here in the subcommittee last week, the director of the FERC Electric Reliability Office.

Have you ever consulted with the FERC Electric Reliability Office about grid reliability impacts if we were to decommission a significant number of America's hydropower facilities? Have you all ever had any discussions about that?

Mr. Turpin. It is not something that -- that the office has looked at from a programmatic standpoint, but in individual project reviews, it is something that we look at.

Mr. Johnson. Okay. Well, because based on some of the testimony last week, I do have some concerns that FERC, as an agency, is not taking ownership of that responsibility, one of which is ensuring the resiliency and the reliability of our energy grid.

So, in your opinion, Mr. Turpin, are you concerned at all that if we can't get many of these hydropower projects relicensed in time, this could affect reliability of the grid in some parts of the country?

Mr. Turpin. That is actually well outside of my wheelhouse. The focus of --

Mr. Johnson. No, it is a really simple question. If we can't get hydropower licensed in time before the grid starts showing more evidence of decay, are you concerned that it is going to affect the reliability of the grid in those areas where hydropower is produced?

Mr. Turpin. Just from a commonsense standpoint, I would say yes.

Mr. Johnson. Okay. Well, thank you. Because this is baseload power with important characteristics that help with grid resiliency after disruptions.

Now, I know FERC is the so-called lead agency for the relicensing process, and I know it is not always easy to coordinate and get answers back from all the agencies involved.

But in your experience, Mr. Turpin, do other Federal agencies like the Army Corps, for example, do you think they understand the importance of keeping our baseload hydropower fleet intact and permitted into the next few decades for reliability reasons? Do you think they understand that?

Mr. Turpin. Yes, sir, I do.

Mr. Johnson. Good. And have you or your team ever discussed grid reliability with other Federal agencies, other than FERC, when it comes to permitting the

hydroelectric power that our country relies on?

Mr. Turpin. Not to my knowledge.

Mr. Johnson. Okay. I have some other questions.

Mr. Smith, I was going to come to you next for the Army Corps, but it is going to be -- I will just ask the question in my remaining time.

Does the Army Corps consider grid reliability when overseeing the relicensing of and continued operation of hydroelectric projects, and do you think Congress would be wise to give you some more flexibility to do that if needed?

Please take that question and get us an answer back. My time is expired.

I yield back, Mr. Chair.

Mr. Duncan. The gentleman's time is expired. And we will expect that answer to come back in writing, or you can answer it in somebody else's time.

I will now go to Mr. Cardenas for 5 minutes.

Mr. Cardenas. Thank you, Mr. Chairman, Chairman Duncan, and also Ranking Member DeGette, for holding this very important hearing. And I appreciate the witnesses coming forth and expressing their expertise and opinions for us and the American people.

To begin, I am heartened to see a continued recognition of the role that hydropower plays in our current clean energy landscape and the role it can play in building out a clean energy future.

Hydropower is a unique source of dispatchable, low-cost electricity that provides increased capacity, flexibility, storage, and reliability to the electric grid. Currently, hydropower supplies more than 30 percent of renewable power generation, as well as over 90 percent of U.S. energy storage through pumped hydropower storage.

These numbers are significant, and there is even more opportunity to further build out hydropower capacity with tens of thousands of megawatts of new hydropower and pump storage license proposals under consideration at FERC. However, to continue to build out hydropower and support the clean energy transition, we in Congress must work to create a more efficient licensing and relicensing process. This has historically been an issue that has garnered bipartisan support, including from myself, and today we have a real opportunity to work across the aisle to make that happen.

Together, we have a chance to rethink this process and deliver cleaner energy for the American people, while also increasing the resilience of our rivers, reducing the environmental and safety impacts of U.S. dams, and bolstering the input of Native American Tribes.

In 2020, participants in a forum called A Uncommon Dialogue on Hydropower, River Restoration, and Public Safety, which brought together the U.S. hydropower industry and environmental and river conservation communities, recognizing their joint statement of collaboration, that, quote, the Native American Tribe Governments are not adequately represented in the dialogue and will need to be fully engaged.

Mr. Turpin, what does the history of Tribal input look like in Federal licensing process for hydropower projects, and what are the current mechanisms in place to ensure that Native American Tribal Governments are fully included in the licensing process?

Mr. Turpin. During each of the -- during prefiling and during the license review, we reach out to the Tribe -- Tribal Governments to get their input and to engage in government-to-government consultation.

Mr. Cardenas. Okay. And when I say Tribes, we are talking about Tribal

Governments. They are, in fact, sovereign Nations within the borders of the United States, correct?

Mr. Turpin. Correct, sir.

Mr. Cardenas. Thank you.

As we work to streamline the permitting and licensing process, it is vital that we increase Tribal engagement and promote Tribal self-determination.

Mr. Turpin, if Congress were to legislate that hydropower projects on Tribal lands either needed written approval from the Tribe in question or for that Tribe to be a licensed applicant, would there be any issues for FERC in implementing that idea?

Mr. Turpin. Well, in terms of the first one with -- overall, no. In terms of the first aspect of it, I think that is already the case. If a project is on Tribal lands, then it is going to have to have the Tribal -- a Tribal grant to do the project.

Mr. Cardenas. Okay. So, basically, they are involved in the process of the permission to go forward with a project that actually directly affects their sovereign land?

Mr. Turpin. That is right.

Mr. Cardenas. Okay. Thank you.

Mr. Turpin, we hear a lot about the importance of coordination between FERC and Federal and State resource agencies for projects that impact Tribal lands. Can you talk about how vital it is to coordinate with the Tribal Governments impacted by the projects, and can you give us an example of whether or not there are meetings involved, there is paperwork involved, et cetera? What is the engagement as it is today.

Mr. Turpin. Yeah. So during the project review, understanding the impact to cultural resources is one of the many uses and many impacts that we have to analyze. And so there is a great effort, I think, expended at reaching out to the Tribal Governments

to try to get that knowledge and try to understand what the project, what it might do to their -- you know, both their held lands as well as any of the areas where they have cultural history and traditional resources.

So we will have scoping meetings. We will have meetings with the Tribe to try to understand that perspective of it and then consider that in the environmental review.

Mr. Cardenas. Well, can you clarify a little bit about how formal that conversation is or that dialogue is?

For example, my wife and I raised four kids, and when they become teenagers, they yell as they are leaving the door, I am leaving, I am going to my friend's house. That is not the way me as a parent I wanted that relationship.

So how formal is that process today? Is documents involved, the Tribe has complete access to when it comes to the project and all those kinds of things?

Mr. Turpin. Yeah. So we will issue actual formal letters to the Tribal Governments asking if they would like to be involved in the process, and then we have formal invitations that go out.

More recently, I think, our Office of Public Participation at the Commission has tried to double down on those efforts to ensure that the Tribal entities understand the meetings are happening and have a chance to participate.

Mr. Cardenas. Okay. Thank you so much. My time has expired.

Sorry, Mr. Chairman. I yield back.

Mr. Duncan. The gentleman yields back.

I will now go to Michigan's Mr. Walberg for 5 minutes.

Mr. Walberg. Thank you, Mr. Chairman, and thanks to the panel for being here.

Michigan is home to the Ludington Pumped Storage Plant, which has over 2,000

megawatts of capacity and is actually one of the largest of its kind in the world. FERC has jurisdiction over this facility.

Mr. Turpin, how are pumped storage facilities particularly suited to addressing grid reliability and meeting demand when other renewable energy may not be available?

Mr. Turpin. Just from the perspective that they are sort of on call, you know, they can use peak energy when it is available to store it and release it upon demand.

Mr. Walberg. Very flexible?

Mr. Turpin. Yes, sir.

Mr. Walberg. Outside of Ludington, most of our hydropower facilities in Michigan are small plants, and many of these dams are aging and will need cost repairs and upgrades soon to keep them operating efficiently and safely. Further, the facilities are facing FERC recertification in the next few years. That brings with it all sorts of potential expenses, challenges to the local communities, and the decommissioning of such facilities would have a significant impact on the communities, in many cases, that has sprang up around the plants.

Mr. Turpin, what can be done to lower costs to maintain our existing and aging hydroelectric fleet, and are tax incentives a viable solution?

Mr. Turpin. In terms of lowering the cost around structural designs and safeties, I don't know what can be done. I mean, the dams need to be repaired and they need to be maintained at a certain state, and I think in many cases that does involve a good bit of expense.

In terms of tax incentives, that is a bit outside of my area. I would say that the last time we saw, I think, a pretty large bump in the number of original licenses for new infrastructure was in the 2013-2014 range when there were tax incentives out there. So

I think there is an economic incentive that developers are looking for that maybe not -- isn't there right now.

Mr. Walberg. Yeah. Well, it would certainly be worth considering, everybody at the table, how we can promote the ability for, I think, these very important energy providers to remain viable.

When hydro developers are relicensing, does FERC consider economics and impact on ratepayers when balancing the licensing considerations?

Mr. Turpin. Well, the rates that -- and the power purchase agreements aren't within FERC's purview. But the cost analysis that is done during the environmental review is looking at the different costs of mitigation or the different costs associated with the balance between the different resources that have to be considered under the Federal Power Act.

Mr. Walberg. Okay. The city of Marshall in my district operates the third oldest hydroelectric utility system in the country. They have expressed that as a smaller, older plant, they face many financial hurdles in trying to comply with all of the licensing regulations put on them by FERC and the Michigan Department of Natural Resources and others, while trying to maintain their facility for years to come.

Mr. Hairston, from your perspective and experience, dealing with the Federal dams, balancing ratepayer impacts, how can we improve coordination between FERC and the resource agencies and States when it comes to hydro projects to lessen some of this regulatory burden for smaller plants?

Mr. Hairston. Well, thank you for the question. You know, from a Bonneville perspective, we work really closely with FERC in talking about the rates that we are charging our customers. And we also employ a public process -- a number of public

processes to allow our customers to understand the rate impacts, what the costs are of keeping these dams maintained, and making sure that we manage costs as low as possible so we can provide the lowest possible rates.

Mr. Walberg. Well, the challenge, of course, is always in the mind of the regulator and the mind of the user. And with the amount of opportunity that we have with resources -- hydro resources that are out there, it would be to all of our benefit to find means by which we can make it work and keep safety foremost but also the flexibility to allow us expansion of the opportunity.

Mr. Chairman, I yield back.

Mr. Duncan. The gentleman yields back.

I now go to Mr. Sarbanes from Maryland for 5 minutes.

Mr. Sarbanes. Thanks very much, Mr. Chairman. Thank you all for being here today.

As obviously this hearing emphasizes today, hydropower is an important part of our energy portfolio, and I am very pleased we are discussing how this committee can better support renewable energies overall.

In Maryland, we certainly understand the critical role that hydropower plays because the Conowingo Dam, a non-Federal hydroelectric dam on the Susquehanna River, generates around half of the renewable energy in our State.

We also recognize, however, that a hydropower license that may have been appropriate when it was issued decades ago should not be assumed to be appropriate today. FERC licenses are generally issued, as you know, for terms ranging from 30 to 50 years. Because of that, dams that were built and originally licensed before many of our bedrock environmental laws were enacted are often able to continue operating under

licenses that are decades out of date, in terms of environmental standards, by the time they come up for renewal.

For instance, the Conowingo Dam was built almost a hundred years ago, well before the Clean Water Act was passed. Over time, the dam's reservoirs reached capacity and now releases nutrient and sediment pollution during storms that undermines our work to meet our clean water goals for the Chesapeake Bay below the dam.

Last year, the D.C. Court of Appeals vacated the controversial 50-year license that FERC had granted in 2021 for the dam's operation, which did not ultimately take into account new environmental realities. As a result, Maryland's Department of the Environment appropriately now is in the process of reexamining the clean water certification for the Conowingo Dam as required by section 401 of the Clean Water Act.

I am glad to see that Maryland is taking the opportunity to reevaluate the current status of the Conowingo Dam and the possible impacts of its operation well into the future. But I am concerned that the bill we are discussing today would short-circuit the licensing process for many existing dams across the country, potentially including Conowingo.

Mr. Lee-Ashley, what will be the long-term impacts legally as well as environmentally of placing arbitrary deadlines on the licensing process and penalizing agencies that are trying to meet those deadlines but cannot do so while taking due consideration? If you could address that to someone who is anxious about it in light of the important role that Conowingo plays in the State of Maryland.

Mr. Lee-Ashley. Thank you for the question. To be clear, we do support having clear timelines that are posted publicly. We found for all types of infrastructure, that

helps with transparency and all stakeholders to understand what to expect.

One concern, however, with a hard deadline with financial penalties is it creates some incentives for various agencies that might result in permitting work that is not fully legally adequate and, therefore, might result in heightened litigation risk, which can result in further delays to a project.

Mr. Sarbanes. Thank you. And I worry about rushed deadlines. I worry about things that can present or have the practical effect of being arbitrary inside a process that is trying to look at all factors, account for many, many different concerns and considerations. So the -- this process needs to be -- this licensing process needs to be done in a way that allows for due diligence, while at the same time, you know, moving in a timely fashion.

So whether we are talking about issuing a new license or renewing an old license, we have to recognize that, over time, the environmental and regulatory landscapes are going to change. The assessment of a hydropower project should be as thorough as necessary in order to make sure that the license will stand the test of time, particularly given the long period for which the license is granted. You want to make sure that when you are issuing it, you are doing it properly and you don't have regrets, and we have seen some of those concerns present in the Conowingo situation.

Thank you all very much for your testimony.

Mr. Chairman, I yield back.

Mr. Duncan. The gentleman yields back.

I will now go to Mrs. Lesko from Arizona.

Mrs. Lesko. Thank you, Mr. Chair, I appreciate it. And thank you for all of you being here to testify.

I am a strong supporter of H.R. 4045, the Hydropower Clean Energy Future Act, and, quite frankly, I think it is long overdue.

Hydropower is very important in Arizona's economy. I represent portions of Phoenix and suburbs of Phoenix. I think it is important for Arizona's grid reliability and low electricity prices.

It is the largest source of renewable, dispatchable energy that contributes to system stabilization on par with natural gas and coal. It also provides flood control in agricultural irrigation. Hydro in Arizona accounts for 10 percent of our reliable power generation sources. Hydropower has zero greenhouse gas emissions, and it is a lower cost than sometimes wind or solar.

Even in Arizona, however, hydropower does not qualify as a renewable source in the State's renewable portfolio standard. I fought against this when with I was in the State legislature, thinking that certainly water is renewable and clean and should be defined as renewable. However, the people that wanted to push just solar and wind opposed it, and they won out.

So to Mr. Lee-Ashley, what do you think the logic is that excludes hydro in some of our State's renewable energy standards.

Mr. Lee-Ashley. Thank you for the question. The Federal Government does include hydropower in its objectives for carbon-free electricity, and so we very much feel that hydro is appropriately part of that renewable carbon-free mix for the Federal Government.

Mrs. Lesko. Thank you. And why do you think that, then, in a State like Arizona it is not called -- it is not included in our renewable energy standards? I mean, do you think it is because they are focusing, in my opinion, just -- just on solar and wind and they

want to push that energy source over other energy sources?

Mr. Lee-Ashley. I can't speculate. I don't know the particular dynamics in a State, but, again, at the national level, the Federal Government, we do include hydro as part of our carbon-free electricity objectives.

Mrs. Lesko. Thank you.

Mr. Hairston, hydropower currently accounts for approximately 6.7 percent, 80 gigawatts of generation capacity in the United States. But there are roughly 80,000 nonpowered dams in the United States. How much capacity could be developed by adding generating capacity to these existing nonpowered dams?

Mr. Hairston. Thank you for the question. Quite honestly, I couldn't give you a number in terms of the amount of megawatts that could be employed. It is a vast number of units, so I just don't have that with me right now.

Mrs. Lesko. Would you agree that it is probably a smart idea to start using hydroelectric generation on some of these dams that don't use it now?

Mr. Hairston. I am a huge proponent of hydroelectricity, obviously. I -- in instances where it can be used, I would think that it would make sense, but there are a lot of qualifications that have to be made to determine whether it is viable at those specific units.

Mrs. Lesko. And I am going to just continue asking you a question, Mr. Hairston.

You know, solar and wind are clean resources. We use them in Arizona. We use them throughout the United States. We usually use -- well, we use solar more than we use wind just because we don't have that much wind in Arizona. But it can be highly variable. You know, it is intermittent power. So how can hydropower maintain grid stability with the influx of intermittent resources?

Mr. Hairston. Great question, and I think it is twofold. One, hydro is used, as I said earlier, to shape the system. So when the wind isn't blowing and the sun isn't shining producing those variable resources, you use hydro to fill in those gaps and make sure the system stays stable.

The other piece would be, I think, transmission investment, quite honestly. You noted that there is an abundance of solar and wind in the Southwest, and there is hydro, an abundance of hydro in the Northwest. Being able to have suitable transmission capacity that would create the diversity between those resources will allow for, I think, greater stabilization of the system.

Mrs. Lesko. Fantastic. My time is out, but I also want to let you know that we are doing more pumped storage facility with our water in Arizona too. We are proposing some more at the Salt River project, so -- anyway, good things happening in Arizona.

Thank you and I yield back.

Mr. Johnson. [Presiding.] The gentlelady yields back.

The chair now recognizes the gentleman from Indiana, Mr. Bucshon, for 5 minutes.

Mr. Bucshon. Thank you, Mr. Chairman.

I was looking forward to this hearing -- I have another hearing at the same time, so sorry I am in and out -- not only because I support the work of my colleague, Chairwoman McMorris Rodgers, and her Hydropower Clean Energy Future Act, but also because I am a strong supporter of hydropower and have a long history of working to utilize this clean energy source, even though I am in Indiana.

In 2018, my bill, the Promoting Hydropower Development at Existing Nonpowered

Dams Act, was signed into law by the President. It established an expedited 2-year licensing program to upgrade nonpowered dams to produce electricity. This led to numerous dams being retrofitted in 2019 alone and added more than 330 megawatts of clean, renewable electric generating capacity to the grid.

I look forward to continuing to work with FERC and CEQ to ensure proper implementation of this law. And I understand that some other Federal agencies are holding some of these things up, and we need to fix that. We streamlined the process at FERC, and then we have other Federal agencies who unstreamlined the process, so to speak.

Mr. Turpin, the 40 megawatt exemption in Chair Rodgers' H.R. 4045 is not mandatory. It is discretionary, correct?

Mr. Turpin. I think, if I understand your question, then, folks could still seek a license if they wanted to but aren't --

Mr. Bucshon. Correct. It is -- they don't have to -- they could seek a license if they choose to do so.

And the exemption must not jeopardize species protected under the Endangered Species Act.

Mr. Turpin. That is correct, as well as the other statutes.

Mr. Bucshon. Yeah. It cannot adversely affect critical habitat. Is that correct?

Mr. Turpin. That is right.

Mr. Bucshon. And it is subject to the same limits to protect fish and wildlife. Is that correct?

Mr. Turpin. Yes.

Mr. Bucshon. Okay. I want to make that clear, because those are the type of

agencies that are not allowing dams to be converted to hydropower dams under the law that was signed -- signed into law by the President in 2018 that I worked on, which is disappointing.

Congress continues to do its part by passing laws and encourage utilization of this clean and reliable resource, both through new project licensing and retrofitting. For many of these projects infrastructure is already built, the dams are being maintained, and they are not going -- and they are probably not going away, although you heard earlier that some people out West want to remove all the dams.

Energy not captured and utilized from existing dams is just a wasted resource, and so there is a potential substantial opportunity there. And as much as we hear from the current administration that their -- in their aggressive clean energy goals, it is disheartening to see that they are wasting a clean and reliable baseload energy source, in my view, by not allowing agencies to approve the conversion of non-hydropower dams to hydropower dams.

We all want to be good stewards of the environment, and I reject the notion that we cannot utilize this abundant energy resource and ensure safety of our natural resources.

And with that, Mr. Chairman, I yield back.

Mr. Johnson. The gentleman yields back.

The chair now recognizes the gentlelady from Florida, Ms. Castor, for 5 minutes.

Ms. Castor. Well, thank you, Mr. Chairman. Thank you to the witnesses for being here today.

I am strongly pro-hydropower. It is a great, clean, renewable resource to help power our lives. I wish we had more of it in Florida.

I was surprised a couple years ago, in fact, in the city of Tampa, we have -- the Hillsborough River runs right through it. We have a -- we have dammed it up for drinking water supply. It has a unique history where cattle rustlers have blown it up periodically over time, but it is currently -- we have a dam there now. And what the city is doing is they are going to add the hydro turbines back on to this old dam on the Hillsborough River, and we are going to add solar to it to help power the turbines and cut pollution. They say it should generate about 900,000 kilowatt hours. That is enough to power 76 homes. That is pretty good for our neck of the woods.

But I am concerned that the bill that we are discussing today just goes too far. We want to -- and, of course, we have invested, through the Inflation Reduction Act, in very significant new clean energy resources for America.

But I was an environmental lawyer before I came to Congress, and I -- some of the lessons I learned is, when you cut corners on permitting, it oftentimes leads to longer timeframes and more lawsuits. So I think there are a lot of unintended consequences by just slashing some of the bedrock requirements that you have to consider during permitting. For example, the bill would fine agencies $5,000 every week that those agencies are unable to meet the new permitting deadlines.

So I don't think it is smart for my Republican friends to propose these new type of harsh penalties at the same time they are -- they have draconian cuts to agencies too. So this is just a recipe for delay across the board. It doesn't make sense.

For example, House Republicans have floated a $237 million cut for Fish and Wildlife, the agency that is chiefly responsible for the Endangered Species Act permitting. And just this week, the House Natural Resources Republicans proposed slashing CEQ by 75 percent.

So, Mr. Lee-Ashley, can you talk about the importance of making sure that our agencies have the staffing that they need to move these permits through, rather than just try to short-circuit the whole -- the whole thing and ram something through a permitting process?

Mr. Lee-Ashley. Thank you for the question. There are -- we have found some extremely valuable attributes of good permitting processes. One is ensuring there is early coordination and public engagement, that -- that there are clear timelines and schedules to help provide transparency on processes, and then critically important, people and resources to move permitting processes forward.

The Inflation Reduction Act dedicated $1 billion to agencies, including, I believe, $100 million to FERC to help with permitting. I don't believe it included specific resources for the Fish and Wildlife Service for section 7 consultations, for example, but, yes, we identify resources as a key, key factor in permitting.

Ms. Castor. When we were operating the House Select Committee on the Climate Crisis, one thing we heard across the board was the need to make sure that the agencies had the resources necessary to move permits through. And that is why, as you said, we devoted a billion dollars through the IRA to get this done.

So can you talk about how that is going? How is CEQ using that -- those funds to help ramp up the permitting processes and get applications through?

Mr. Lee-Ashley. Thank you for the question. So the billion dollars goes to a number of different agencies, and agencies are using those resources in a variety of ways, including hiring people in offices that have been short-staffed for some period of time. And we fully support that. And agencies are also working toward improving technologies and systems, and that is a key role that CEQ can help play, is making sure

that best technology used in agency A can potentially be used in agency B.

So we are seeing, as we speak, improvements to both the human resources, human capital side of the permitting process, as well as technological advancements.

Ms. Castor. So thank you very much. And I think it would be a good topic for this committee to look at how that is going, how speeding up by staffing up for a long time.

You just simply can't say, okay, we want permits to go through faster and then, at the same time, slash the budgets and the personnel that is needed for those reviews. So thank you very much.

And I yield back.

RPTR WARREN

EDTR ZAMORA

[11:56 a.m.]

Mr. Duncan. [Presiding.] Mr. Weber is recognized for 5 minutes.

Mr. Weber. Thank you, sir.

Mr. Smith, only 3 percent of the 90,000 dams in the U.S. currently support hydroelectric generation. Army Corps has lots of dams, and in a report to Congress, it identifies more than 80 that are suitable for hydro.

Do you agree that there are untapped opportunities for expanding hydropower generation within the United States portfolio, including retrofitting existing dams with hydropower capabilities, small-scale hydro development, or upgrades to existing facilities?

Mr. Smith. So, yes, we have capability to incorporate more non-Federal hydropower at our projects.

Mr. Weber. Have you been to any of these dams and visited these personally?

Mr. Smith. Yes.

Mr. Weber. Approximately how many?

Mr. Smith. So I have -- I have been to many of our projects throughout the Nation, so I -- it would be -- I don't have the specific number -- dozens. Specifically to talk about non-Federal hydropower I did that as recently as last week.

Mr. Weber. Mr. Turpin, how about you, have you visited any of these locations?

Mr. Turpin. I have not.

Mr. Weber. Mr. Hairston?

Mr. Hairston. I have not.

Mr. Weber. Mr. Lee-Ashley, you see what is coming next, right?

Mr. Lee-Ashley. Not in my current role.

Mr. Weber. No? Okay.

Does -- is it helpful when you all visit these places to get a visual and to actually see what is involved, or is that just outside you all's bailiwick?

I will go with you, Mr. -- we will go back the other direction.

Mr. Lee-Ashley. It is always helpful to see things up front and talk to people on the ground.

Mr. Weber. Mr. Smith?

Mr. Smith. Absolutely. You can see the type of challenges and also the type of opportunities very well.

Mr. Weber. Mr. Hairston?

Mr. Hairston. Yes, I would concur it is always helpful.

Mr. Weber. Mr. Turpin?

Mr. Turpin. Same. FERC staff routinely do visit those sites.

Mr. Weber. So you all need a bigger budget to maybe hire some taxies or something, it sounds like.

Mr. Smith, I am going to come back to you. I talked to you briefly about the Gulf Coastal Water Authority in my neck of the woods, District 14 in Texas, where they were requesting some water be released from Lake Whitney, which is upstream of the Brazos River between Dallas -- or actually, Fort Worth and Waco, Texas. And the United States Army Corps of Engineers had kind of put Gulf Coastal Water Authority on hold. And I know you are not necessarily familiar with that. It has been, I think, 2 or 3 years back perhaps.

Can you check into that and find out exactly when that occurred and what the requests were, how much water and how many electricity it would have generated, and get back to my office?

Mr. Smith. Absolutely.

Mr. Weber. Okay. I would appreciate that, if you would.

And I want to go back to you, Mr. Lee-Ashley. This is probably one of those commonsensical questions that was asked by Mr. Johnson earlier. Do you agree that hydro is cleaner than solar panels, cleaner energy than solar panels and batteries imported from China?

Mr. Lee-Ashley. That is a great question. It is a clean energy source. Each energy source has its own tradeoffs and environmental considerations. And so solar, wind, hydro, geothermal, and a number of other sources have to be a part of our renewable and clean energy.

Mr. Weber. Would you think, as I asked, you know, you all earlier if you visited all these sites, if you see how they are working, if you are going to produce more energy, more hydro energy from dams in the United States, that is going to create jobs, right?

Okay. So that would be better than buying things from China. Would you agree with that?

Mr. Lee-Ashley. We absolutely support developing more renewable energy here in the United States and supporting jobs here in the United States.

Mr. Weber. Right. So you are not a fan of China, I take it.

Mr. Lee-Ashley. Importing energy from China, and products, we prefer to build those products here in the United States.

Mr. Weber. Okay. How about you, Mr. Smith, same go for you?

Mr. Smith. Fully -- the Corps of Engineers fully supports hydropower here in the United States.

Mr. Weber. Well, good.

Mr. Hairston?

Mr. Hairston. Yes, we fully support hydropower here in the United States.

Mr. Weber. Over Chinese products?

Mr. Hairston. Yeah, I mean, we don't have to compete with those.

Mr. Weber. I am not trying to put you all on the spot, but I am trying to put you all on the spot.

Mr. Turpin, you are next.

Mr. Turpin. Similar answer. I mean, the Commission does support hydropower, yes.

Mr. Weber. Well, and it is important, you know, that we make sure -- I agree. With all the move toward electric vehicles, let me just throw this in, we need a sustainable -- a dependable power grid. And we better make sure we get -- we are not getting the proverbial cart before the horse or maybe this is the electric vehicle before the power grid. So I hope you all support that.

Mr. Chairman, I am going to yield back.

Mr. Duncan. The chairman yields back.

I will now go to the new ranking member, Ms. Kuster, for 5 minutes.

Ms. Kuster. I like that. Thank you. Thank you, Mr. Chairman, for hosting this important hearing.

If there is one thing that Democrats and Republicans can agree on it is this: Hydropower has an indispensable role to play in our future energy system. Hydropower

is versatile, can operate in a baseload resource to provide dependable energy to our electric system. It is also dispatchable and can increase or decrease its generation based on changing electricity demand.

This flexibility is essential to a renewable, reliable clean energy system. And I think you have heard that from my colleagues on both sides of the aisle.

If it is the second thing that Democrats and Republicans can agree on, it is this: The hydropower licensing and relicensing process is broken. It can take between 7 to 10 years to relicense an existing hydropower facility, and it isn't even unheard of to take longer. Clearly, something is broken if it takes us a decade to relicense an existing piece of infrastructure.

Given the agreement that hydropower is an indispensable resource and that the licensing process is broken, we should be able to develop a bipartisan hydropower licensing reform package.

I commend Chair Rodgers for her longstanding advocacy of hydropower and for holding this hearing. I support many of the Hydropower Clean Energy Future Act's goals. We should focus the scope of conditions imposed during licensing. We should improve coordination across Federal agencies, and we should minimize superfluous studies during relicensing.

But I cannot support the bill in its current form. We need a more holistic hydropower relicensing reform. While I agree with many of the goals in the proposal, it is missing key aspects of comprehensive licensing reform, such as improving dam safety, enhancing opportunities for Tribal engagement, and empowering asset owners to choose the most efficient environmental mitigation.

If we work collaboratively, I know we can find common ground. In the Senate,

Senators Daines, Cantwell, Risch, and Wyden have been a bipartisan licensing reform proposal. Let's incorporate these provisions in the House version.

I implore my Republican colleagues to have a dialogue about how we can grow the scope of this legislation to make it bipartisan.

And with that, I turn to all of you.

Mr. Smith, your testimony lays out the potential for increasing renewable electricity generation by retrofitting nonpowered U.S. Army Corps dams with hydropowered turbines, and I agree. One of the major barriers to developers retrofitting nonpowered Army Corps dams is the Army Corps section 408 review process which varies across the 24 districts.

Last Congress, I was proud to work with Senator Daines and Feinstein to introduce bipartisan legislation to direct the Army Corps to develop a nationwide efficient, consistent, and coordinated process across districts for reviewing 408 applications to retrofit dams with hydropower. This legislation was signed into law at the end of last year.

Mr. Smith, has the Army Corps finalized its new guidance to implement this congressional directive? And, if not, when should we expect the new policy to be in place?

Mr. Smith. So thank you for asking the question about the 408 program. We know it gets a lot of attention. So we have not finalized --

Mr. Kuster. When will you?

Mr. Smith. I will have to -- I will have to go back and --

Ms. Kuster. It is urgent.

Mr. Smith. -- with the office.

Ms. Kuster. It is urgent.

What steps will the Army Corps HQ make to adhere to a nationwide process so that we don't have different results in the 24 districts?

Mr. Smith. So we are taking several steps to improve our 408 program. It gets a lot of attention. And specifically here for non-Federal hydropower, we have an updated regulation -- or internal engineering regulation that provides -- provides some efficiencies and improvements such as delegating approval to -- for 408 projects to our regional commanders in the field. We have appointed district and regional coordinators for the 408 program, which is a step towards consistency. We have added information on our 408 program to our public-facing dashboards. And we are working on sharing best practices that are emerging as districts improve and focus on this.

So there is a lot of good things going on, but fully recognize that there is a long way to go. This is a complicated subject.

Ms. Kuster. And you do recognize that it is a lot when we pass a bipartisan bill directing the Army Corps, and I urge you to work with due speed. So we will look forward to talking with you further.

And with that, I yield back.

Mr. Duncan. The gentlelady yields back.

I will now go to Mr. Pfluger from Texas for 5 minutes.

Mr. Pfluger. Thank you, Mr. Chairman. Important hearing.

For communities with hydro assets, hydropower can be a significant economic impact to the community and a source of dispatchable, reliable, and affordable energy.

Included in the Fiscal Responsibility Act were the very first significant reforms to the NEPA process since 1984. Hydropower is an excellent example of where permitting

challenges impede the delivery of that affordable and reliable energy.

I was kind of shocked to read the Gordon Butte Pumped Storage Hydro Project timeline from 2013 to 2029. That is just kind of unbelievable, you know. When the government is getting in the way of these kinds of things, we have to look at this reform. We have to look at the permitting process. And I think that is a perfect example.

As FERC looks to relicense existing dams, it is critical that there is certainty in the permitting process and that that process works to bring power online and not eliminate existing sources. I am proud of the NEPA reforms that were made, not only to the timeframe, but also to the page limits, the single-agency coordination. I mean, these things are just kind of -- just makes us a little ridiculous in our government where we can't coordinate with each other and get to a commonsense solution.

I am glad CEQ is in front of us today. CEQ is responsible for implementing NEPA and overseeing it across the whole government. Unfortunately, what we have seen in NEPA's review processes are often used to block hydro projects and other much needed energy infrastructure.

I don't have to tell you guys this, but I will anyways. In my district, in the Permian Basin, we have seen this as a case for blockage of many oil and gas projects. And, unfortunately, in July, CEQ implemented proposal notice phase 2, which undermine the bipartisan congressional efforts to streamline energy and infrastructure projects that are much needed. So we are not operating at a relevant speed.

What I would like to start by asking is, Mr. Lee-Ashley, the simple changes that are included in the Fiscal Responsibility Act have the opportunity to change the game when it comes to permitting. Do you believe that this phase 2 proposal undercuts the bipartisan effort that this committee passed?

Mr. Lee-Ashley. The proposed rule implements, fully implements the law that Congress passed in the Fiscal Responsibility Act in the NEPA reforms.

We fully agree that page limits, timelines, lead Federal agency, among other efficiencies from that law, are critically important. Just yesterday, agencies adopted new categorical solutions using the -- some of the new authorities under the new law, which we are very pleased to collaborate with agencies on.

Mr. Pfluger. I am glad you brought that up. What I would like to talk about there is these are exclusions for EV charging and DOT kind of borrowing DOE's exclusions.

What categorical exclusions will the Biden administration use to prevent hydropower plants and projects from being implemented in a reasonable manner, not 9 years, not 20 years?

Mr. Lee-Ashley. Yeah, that is a great question. Also note, yesterday, there were also categorical exclusions adopted for the CHIPS program for semiconductor manufacturing.

We do support creating new pathways for agencies to establish categorical exclusions. I believe there are at least one, maybe more categorical exclusions that agencies use for it, some dams and hydroelectric facilities. We are eager to consult with agencies on those and help move those forward in an appropriate way.

Mr. Pfluger. We are eager to see this process actually work, 20 years for permitting and approval.

Mr. Turpin, I will turn to you. Is hydropower a source of dispatchable energy?

Mr. Turpin. Yes.

Mr. Pfluger. Should this government use hydropower as a source of energy for our country, and should we approve projects that use hydropower?

Mr. Turpin. Yes.

Mr. Pfluger. Okay. Is there frustration, and can you expand on frustration when it comes to the permitting process for those hydropower projects?

Mr. Turpin. The frustration that we hear from all the stakeholders is generally just about the -- the sort of decentralized process and the myriad statutes that have to be complied with. I think we have designed a system at FERC trying to, within the existing statutory construct, try to move it along as fast as possible, but there are a lot of players and a lot of misaligned goals.

Mr. Pfluger. Is the administration, is the government, is this approval process moving at the speed of water to approve these projects or is it slower than that?

Mr. Turpin. I think the speed of it is really determined by the information resources that can be brought to bear from the applicant. I mean, that is really where it comes back to.

Mr. Pfluger. Are we going to fall behind and potentially export technology jobs and other innovation to countries like China if we don't reform this process and actually synchronize?

Mr. Turpin. Yes, I think without synchronization of the goals and missions of all the agencies that are involved and the statutes, you are going to see a continued sort of same process as we have.

Mr. Pfluger. Mr. Chairman, I yield back. Thank you.

Mr. Duncan. The gentleman yields back.

I will now go to the Crossroads of America, Mr. Pence, for 5 minutes.

Mr. Pence. Thank you very much, Chairman Duncan, and thank you, Ranking Member DeGette.

And I thank the witnesses for being here today. Being probably the last person here, you have heard all these questions before, but thank you for your patience.

Like my colleagues have discussed today, hydropower is a versatile energy source. It can bring reliable baseload supply to communities with hydro resources. Hydroelectric plants can provide baseload power and long-duration dispatchable energy storage, characteristics that are inherently absent from intermittent wind and solar. And I am not opposed to those, but we want the dispatchable that we can store.

Of the 90,000 dams across our country, only 3 percent are power-producing. Unfortunately, our broken licensing process, as my peer just mentioned, and burdensome regulatory environmental discourages investment and acts as a barrier to expanded hydropower.

Regulating agencies like FERC should focus on efforts that expedite these timelines so that we can bring more reliable generation onto our grid.

Sitting on the Ohio River, south of my district, the Markland Hydroelectric Station produces 65,000 megawatts -- 65 megawatts of electricity for Switzerland County, enough to power basically 52,000 homes in the area. This station has been providing affordable, reliable, and carbon-free electricity to communities like Florence, Indiana, since 1967.

The Ohio River, which runs along the entirety of the Hoosier State, is a perfect example of an abundant power source that holds enormous potential for the surrounding communities.

But the onerous process to permit, license, and relicense hydroelectric plants makes new projects uneconomical, let alone the delays to interconnect new transmission lines. Just last year, Markland completed a 10-year relicensing process to upgrade their

turbine for a mere 10 percent increase in power output. Ten years.

Mr. Turpin, you just discussed this to a certain extent. A big part of the FERC's hydropower work involves relicense existing facilities. Your testimony discusses FERC's backlog of relicensing applications for hydropower dams, which you state could go well into 2030s.

As innovation continues to improve opportunities for hydro turbines, the number of relicensing applications could grow significantly.

My question: Are you concerned about FERC's ability to handle the high volume of relicensing applicants?

Mr. Turpin. No. And the numbers I quoted in the testimony aren't a backlog. That is the current pending applications that we are working through.

The benefit of a -- of being able to look ahead at when relicenses or when a licenses expires, we can forecast for this workload and we can make any adjustments.

Mr. Pence. What, if any, additional authority -- what, if any, additional authorities does FERC need to streamline this process and particularly for smaller upgrades like Markland?

Mr. Turpin. Yeah, I think it all comes back to -- to having an ability to get the agencies together and to get them pointed in the same direction. I mean, the Commission has one statutory mandate under the Federal Power Act to balance competing resources at a project. Other agencies have other statutory mandates, and they are generally in the same direction but those -- those slightly different degrees of separation of another agency's mission is a lot of times what causes the disconnect.

Mr. Pence. So a little working together.

All right. Thank you all.

And, Mr. Chairman, I yield back the balance of my time.

Mr. Duncan. The gentleman yields back.

And that concludes the member portion of question and answer.

I want to thank all of our witnesses for being here.

Members may have additional questions, and they will be submitting those. We just ask that they do so within 10 business days and that you submit answers back in 10 business days.

I ask unanimous consent to insert in the record any documents included on the staff hearing document list.

Without objection, that will be the order.

And without objection, the subcommittee will stand adjourned.

[The information follows:]

******** COMMITTEE INSERT ********

[Whereupon, at 12:16 p.m., the subcommittee was adjourned.]