

Opening Statement

The Honorable Paul Gosar

Vice-Chairman

House Water, Power and Oceans Subcommittee

Legislative Hearing on H.R. 1869, H.R. 2993 and H.R. 4582

April 20, 2016

Thank you for holding today's hearing. Today is a step towards making common sense, bipartisan improvements in federal law.

I commend our Committee colleague, Mr. Denham, for introducing his bill to help protect endangered salmon from the voracious appetites of non-native striped bass in California. Ratepayers and taxpayers pay to help recover these salmon, only to see them devoured by the millions from predatory fish that are also protected by federal law. The conflicts between these two fish and the laws that protect them is worthy of a mention in Paul Gosar's Top 10 "You Can't Believe Your Government is This Dysfunctional" list. Fortunately, this bill, if enacted, will remove this policy from my list.

Another bill – the Environmental Compliance Cost Transparency Act -- from yours truly, requires needed federal transparency from the four Power Marketing Administrations – or PMAs. These federal agencies sell 42% of our nation's hydropower resources to hundreds of wholesale customers throughout the West and the South. These non-profit utilities, comprised of cities, towns, rural electric cooperatives, irrigation districts and Native Americans, bear the full costs of the environmental mandates imposed on the PMAs. The millions of retail consumers served by these wholesale utilities eat the costs of the Endangered Species Act, the Grand Canyon Protection Act, the Central Valley Project Improvement Act and other federal environmental laws.

These costs results in direct expenditures such as environmental studies, capital outlays and operation and maintenance and staff costs. Indirect costs include lost hydropower and replacement power costs. These combined costs, can be real: In the Pacific Northwest, 30% of the rates are related to environmental costs and the Glen Canyon Dam flows in Arizona can cost its customers up to \$50 million annually due to foregone power.

My bipartisan bill requires the PMAs to provide these costs on a monthly basis to their customers. It does not repeal or change any environmental laws; it simply requires transparency and helps those who are paying the bills to better understand what they are actually paying for. And, it focuses on one of the most variable costs that are growing faster than other more fixed costs.

This bill is the result of years of work and input from the PMAs and the customers they serve. As an example, the Bonneville Power Administration testified that a prior bill should be

changed so that ALL fish and wildlife account costs should be included – not just Endangered Species Act costs. That change has been made. That agency, under this Administration, even stated and I quote and point to the tv screen that it “shares the interest in accountability that prompts this legislation. Power bills result from complicated calculations and the public debate about what affects power rates often strays from hard numbers. The bill would take a step towards clarifying the matter.” Unquote

Some have suggested that this bill will increase electricity rates. Nonsense. The PMAs have testified that it would not and customers support this bill. Ms. Leslie James, the Executive Director of the Colorado River Energy Distributors Association, testified that quote and I point again to the screen – “It is our understanding that this information is readily available and can be provided at little or no incremental cost”. Unquote.

Let me refer you to another customer group that supports the bill – and I point to the screen again – Mr. Joe Kay from the Grand Canyon State Electric Cooperative Association said quote “Your legislation will allow for a better understanding of how those costs are derived. Moreover, through transparency and discussion your legislation will lead to better business practices and improved communication between customers and PMAs.” unquote.

Some in the so-called environmental community oppose this bill because they fear transparency and the debate that may happen with that transparency. That debate is sorely needed.

In closing, I welcome the witnesses before us and yield back the little time I have left.