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Committee on Natural Resources
Subcommittee on Water, Wildlife and Fisheries

"*Advancing Federal Water and Hydropower Development: A Stakeholder Perspective*"

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Hydropower helped us electrify America and is essential to our nation's future. Chair Hageman, Ranking Member Hoyle, and Members of the Subcommittee, thank you for the opportunity to testify today. My name is Jim Webb, and I serve as the President and Chief Executive Officer of Lower Valley Energy (LVE). I am testifying today to provide my insights as a utility manager and to speak on behalf of stakeholders who rely on the power, reliability, and stewardship provided by the Columbia River System and the Bonneville Power Administration (BPA).

Lower Valley Energy (LVE), headquartered in Afton, Wyoming, exemplifies the benefits of the Columbia River System and BPA's services. As a member-owned, not-for-profit electric cooperative, LVE serves communities in western Wyoming and eastern Idaho, delivering some of the nation's most affordable and reliable electricity.

The Importance of Hydropower

Hydropower is the nation's oldest and largest source of renewable electricity, providing nearly 30% of all renewable generation in the U.S. It's in a class of its own, though, as it offers dispatchable, low-cost, carbon-free power and plays a unique and irreplaceable role in maintaining grid reliability.

The topic of today's hearing is critical to me because approximately 85% of LVE's power generation comes from hydropower. While most of this power is federal hydropower marketed by the Bonneville Power Administration, LVE operates two low-impact hydro facilities at Strawberry and Swift and is exploring additional power generation at another existing dam in our area.

One of the often-underappreciated strengths of hydropower is its operational versatility. Hydropower facilities have black start capability, meaning they can restore electricity to the grid in case of a total system shutdown, without requiring an external power source. This makes hydropower essential for national security and grid resilience. In addition, hydropower reservoirs provide an inherent form of energy storage. Water stored at elevation is potential energy that can

be converted to electricity instantly, allowing these plants to ramp generation up or down to meet real-time demand rapidly. In fact, in periods of peak demand, many hydropower facilities can temporarily exceed their average or "base" output, sometimes significantly, for short durations to meet heightened or unexpected demands. This flexibility is indispensable as we add more intermittent wind and solar to the grid. It also stands as a quick-response defense should other generating sources experience unexpected shutdowns –hydro is capable of picking up that slack.

Hydropower also plays an integral role in providing frequency and voltage regulation, which helps keep the grid stable during sudden shifts in generation or load. Hydropower units can serve as a backup power supply which can respond within seconds to changes in demand, making them ideal for supporting grid reliability under dynamic conditions. Moreover, these hydro facilities are long-lived and durable; many have operated reliably for a century and are less vulnerable to cyberattacks or fuel supply disruptions that can be problematic for fossil-fueled plants.

As the nation wrestles with increasing electricity demands, it is crucial for Congress to recognize that hydropower is one of the only clean energy resources that offers both reliability and flexibility at scale. Without hydropower's stabilizing influence, integration of variable resources like wind and solar will be more expensive, less efficient, and more reliant on fossil fuel backup. The Columbia River System is essential to achieving a clean, secure, and affordable energy future. That's why it is often referred to as the backbone of our energy system in the West.

Federal Hydropower: A Critical National Asset

The Power Marketing Administrations (PMAs) conceptually were established during the New Deal era to bring electricity to rural and underserved parts of the country that investor-owned utilities had largely ignored. These agencies helped electrify America by harnessing federally built hydropower projects using local labor forces. When these projects became operational, they immediately made low-cost energy available to local, public, and cooperative utilities across a vast territory, changing citizens' lives overnight. The basic concept known as "preference" for communities served by federal power came from the view that rivers are a public asset and therefore, the power generated from them ought to be sold to not-for-profit utilities. The Bonneville Power Administration (BPA), created in 1937, was instrumental in electrifying America. It delivered power from the Columbia River system to communities across Washington, Oregon, Idaho, and parts of Montana, Nevada, and Wyoming—fueling rural development, job creation, and industrial growth. In doing so, BPA and its sister PMAs expanded access to electricity and helped establish the foundation for the nation's public power sector.

Today, BPA remains a vital force in the West, marketing power from 31 federal hydro projects and one nuclear power plant to over 140 public power customers, including municipalities, cooperatives, and tribal utilities. BPA also owns and operates a vast 15,000-mile high-voltage transmission network that enables regional energy reliability and the integration of renewables. The development of this critical infrastructure we entirely self-financed and did not rely on annual congressional appropriations. Ratepayers cover BPA's operating costs, capital investments, and environmental responsibilities through its power and transmission sales revenues. Stated more plainly, BPA ratepayers—not taxpayers—fund its workforce and

programs. This self-funding model ensures that BPA operates efficiently and with financial discipline while delivering immense public value without burdening the federal budget. BPA and its utility customers make money for the U.S. Treasury by paying off the investment originally made in the system, with interest, and has done so annually for 41 years. The most recent payment, for fiscal year 2024, was $792 million. This amount included $508 million in principal and $231.9 million in interest. Additionally, $52 million covered other costs, such as irrigation assistance payments that BPA provides to help irrigators repay their share of certain Bureau of Reclamation projects.

Because of this self-pay structure, staffing reductions at BPA and the other PMAs do not yield federal taxpayer savings. Instead, they impact the BPA's ability to meet its statutory requirements to provide reliable service, maintain grid infrastructure, implement fish and wildlife mitigation programs, and carry out their public mission. We share the Trump Administration's commitment to advancing American energy dominance and appreciate the emphasis on enhancing grid reliability and keeping energy affordable for all Americans. As the Administration seeks to streamline permitting and accelerate infrastructure development, the PMA workforce remains essential to managing federal multi-purpose project expansions that drive energy growth and enhance system resilience. Preserving electric reliability depends on avoiding unintended consequences that could undermine these goals, like delays in transmission development, underinvestment in maintenance and modernization, and a loss of institutional knowledge critical to managing complex hydro systems. Protecting the capacity and expertise of BPA is not a matter of government spending—it's a matter of good governance, strategic planning, and energy security.

Investment in Fish Recovery

LVE takes our commitment to stewardship of the land and water very seriously. The Columbia River system is not just a power source but a living river with cultural and ecological significance. The federal government and BPA ratepayers have invested billions in fish recovery, habitat restoration, hatcheries, and dam modifications to support salmon and other species. Approximately 25% of our power bill goes to support fish mitigation. These efforts are making a difference.

The Public Power Council (PPC), representing consumer-owned utilities across the Pacific Northwest, has highlighted significant developments in 2024 regarding salmon and steelhead returns in the Columbia River Basin. Notably, the region experienced a remarkable sockeye salmon run, with nearly 750,000 fish counted in the Columbia River alone—a substantial increase compared to previous years. In total, the number of salmon returning to the Columbia and Snake rivers has more than tripled since the first federal dams were built on these rivers.

While we are committed to supporting salmon recovery, it is essential to scrutinize the assumptions and methodologies underlying recent federal guidance, particularly the NOAA Fisheries 'Rebuilding' Report. This report presents a narrow and overly deterministic view of the region's salmon recovery options. The report ignores prior NOAA science, making a 180 degree turn to largely presume breaching the Lower Snake River dams is the only viable path to rebuilding salmon populations, without scientifically reliable data or analyses to back up its

claims. Significant contributing factors such as ocean conditions, habitat degradation, predation, and climate change were not considered. Additionally, the report does not sufficiently address the energy, economic, and environmental trade-offs associated with dam removal, nor does it reflect the substantial investments and measurable progress already made through existing mitigation and restoration efforts. The previous Trump Administration completed a resource-intensive Environmental Impact Statement and NOAA Biological Opinion on the Lower Snake River Dams in 2020. These studies concluded that dam breaching is not a viable option, and that it would result in severe disruption to the power supply of the region. By abandoning its previous scientific principles, the NOAA report does not represent the collaborative, science-based, and regionally inclusive approach necessary for sustainable salmon recovery and long-term energy reliability.

The positive trends observed in 2024 demonstrate that meaningful progress in fish and wildlife conservation is achievable with sustained commitment and collaboration among federal agencies, states, tribes, and public power utilities. We must continue this work with a balanced, science-based approach that protects both the river's ecosystem and the lifeline it provides to millions of people. Collaborative, regionally supported solutions that integrate tribal perspectives, environmental stewardship, and system reliability should be the foundation of our path forward.

12/14 Agreement

As we look toward future challenges and consumer needs, it is vital that all stakeholders—including tribes, public power utilities, states, and federal agencies—work together to achieve balanced and lasting solutions. However, the recent Memorandum of Understanding announced on December 14, 2023, between the federal government, nongovernmental organizations, and the six sovereigns—comprising the States of Oregon and Washington and four Native American tribes—raises serious concerns regarding process, equity, and long-term impacts on the energy and economic stability of the region.

The agreement, reached largely behind closed doors and ignoring input from public power customers, utilities, agricultural communities, river users and other impacted stakeholders, outlines a federal commitment to support a path toward breaching the four Lower Snake River dams, citing the NOAA 'Rebuilding' report. The agreement pauses the ongoing litigation at the Federal District Court level in which nongovernmental organizations partnered with tribal nations to sue the federal government under the Endangered Species Act. The agreement to pause the litigation also required BPA to use ratepayer funds to pay $100 million to the six sovereigns for fish restoration and $200 million to U.S. Fish and Wildlife Services for hatchery modernization, upgrades and maintenance. An additional $200 million of BPA ratepayer funds were dedicated to studying the reintroduction of specific salmon stocks in the upper Columbia River and methods to increase their abundance. Finally, the agreement required various studies that contemplate dam removal and building "replacement" intermittent power projects.

The language and accompanying commitments to study dam replacement and fund mitigation programs signal an intent to prepare for dam breaching by systematically dismantling the dams' operational efficacy and economic viability. This has introduced tremendous uncertainty for

utilities and BPA customers across the region, many of whom rely heavily on the clean, affordable, and dispatchable energy these dams provide. Many in our region believe this agreement drove a wedge between regional stakeholders and took us many steps backwards from a workable compromise.

The Lower Snake River dams are not marginal assets—they represent approximately 3,000 average megawatts of nameplate, emissions-free, flexible power, critical black start capability, and seasonal storage. Removing them would compromise grid reliability, increase energy prices, and place additional strain on already congested transmission corridors. Dam removal would also displace barge transportation of agricultural goods, increase transportation costs, put more trucks on road, increase emissions, and threaten livelihoods in inland communities, including farmers operating on already razor-thin margins.

The lack of comprehensive and inclusive dialogue makes this agreement especially problematic. Public power utilities, customers, and funders of BPA's fish and wildlife mitigation programs were not meaningfully consulted before the agreement was announced. Neither were ratepayers, agricultural stakeholders, rural economic developers, or many tribal governments outside the four parties involved. The absence of transparency undermines public trust and, again, creates division rather than the unity we need to achieve real, durable solutions.

We fully support investing in salmon recovery, but we believe these goals can and must be pursued in a way that maintains energy reliability and protects the broader public interest. Regional solutions must be inclusive, science-based, and grounded in a complete understanding of trade-offs and alternatives, not driven by political agreements that preempt necessary debate.

In closing, the Columbia River System and the Bonneville Power Administration are models of multipurpose public infrastructure. They deliver enormous value—clean energy, flood protection, navigation, agriculture, and recreation—while helping stabilize energy prices and support grid resilience. As Congress considers the next phase of infrastructure investment and energy policy, I urge you to reinforce and modernize what is working, protect the integrity of our federal hydropower system, and ensure BPA has the tools and financial flexibility it needs to continue serving its public service mission.

Thank you for the opportunity to testify. I welcome your questions.