

Testimony of Deputy Associate General Counsel John Katz  
House Energy and Commerce Subcommittee on Energy and Power  
May 3, 2017

Thank you Mr. Chairman, Ranking Member Rush, and Members of the Subcommittee, it is a pleasure to be here before you today and thank you for the invitation to testify.

My name is John Katz and I am a member of the staff of the Federal Energy Regulatory Commission and, as such, my comments represent my own opinions and not necessarily those of the Commission or any individual Commissioner. I'm going to focus on the bills that involve hydro aspects.

The Commission regulates over 1,600 hydropower projects, which involve more than 2,500 dams. The production of these hydro projects is some 56 gigawatts, which is over half of all the hydropower capacity in the United States. The United States does a little bit better than the figure Mr. McNerney quoted for the world - hydro is 8% of U.S. capacity.

Hydro is a renewable resource. It affects many other resources, including irrigation, flood control, water supply, fish and wildlife, and recreation. These are matters that Congress has asked the Commission to balance when it issues licenses.

The key thing in getting a hydro project licensed quickly is probably site selection. This is a matter within the control of the developer. So good development is what's going to carry the day, not the government, not the other interested parties.

The community needs to be involved. Stakeholder involvement is very key. Issues need to be identified early, and developers need to work with the community and stakeholders to try and resolve matters so that things can be done in a quick manner.

A good example of this is the 400-megawatt Gordon Butte project, it is a pumped storage project in Montana. That project was licensed in 14 months. The developer of the project recently appeared at a workshop at the Commission and while on the one hand he was very complimentary of the efforts of Commission staff, he said that the key to getting it done in time was that the Commission had essentially turned him loose to allow him to develop a process that worked for him and his stakeholders. And that is something that the Commission does on a regular basis.

The Commission does its best to be efficient and effective. Since 2003, the Commission has issued 82 original licenses and of those about 25% have been licensed in two years or less, with about a 1.4-year median processing time at the Commission.

Congress has done a lot to help the Commission in carrying out its job. In the 2013 Hydropower Regulatory Efficiency Act, Congress provided that certain qualifying conduit projects could be completely exempt from Commission regulation. The Commission has approved, or signed off on 83 of those projects since then.

Congress also allowed the Commission to consider small projects at an increased level. They used to be limited to 5 megawatts and Congress increased that to 10 megawatts. There have been seven such projects filed since the passage of that act. Finally, Congress allowed the Commission to extend the time of preliminary permits, which are what an applicant gets to study a project, and the Commission has approved 57 extensions of permits since that time.

Commission staff supports the goals of the legislation before you to the extent that they improve efficiency, enable the development of new infrastructure, support balanced decisionmaking and reduce duplicative oversight. We are concerned only to the extent that additional bureaucracy is added to the process. Commission staff and other agencies are not in my experience looking to do additional processes. There are things that will slow down development, we rather want to pare back these processes to the extent we possibly can.

Finally, I want to note that there are several bills that provide extensions of commencement of construction deadlines for certain projects, and those bills are all consistent with Commission policy.

Thank you very much and I would be happy to answer any questions you may have.