Calendar No. 212

104TH CONGRESS, *1st Session* | SENATE | REPORT 104–162

CONSTRUCTION TIME OF FERC LICENSED HYDRO PROJECTS

OCTOBER 19 (legislative day, OCTOBER 18), 1995.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 1012]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1012) to extend the time for construction of certain FERC licensed hydro projects, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE MEASURE

The purpose of S. 1012 is to extend the deadline contained in the Federal Power Act for the commencement of construction of two FERC-licensed hydroelectric projects located in the State of New York.

BACKGROUND AND NEED

Section 13 of the Federal Power Act requires a licensee to commence the construction of a hydroelectric project within two years of the date of the issuance of the license. That deadline can be extended by the FERC one time for as much as two additional years. If construction has not commenced at the end of the time period, the license is terminated by the FERC. Thus, in the absence of this legislation, the FERC would terminate the license at the end of the time period authorized under the Federal Power Act for commencement of construction.

S. 1012 would extend the time required to begin construction of hydroelectric projects numbered 4244 and 10648 for three two-year periods.

29–010

LEGISLATIVE HISTORY

S. 1012 was introduced by Senator D'Amato on June 30, 1995. A hearing was held on September 14, 1995.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on October 11, 1995, by a unanimous vote with a quorum present, recommends that the Senate pass the bill as described herein. The rollcall vote on reporting the measure was 20 yeas, 0 nays, as follows:

Yeas	Nays
Mr. Murkowski	
Mr. Hatfield [1]	
Mr. Domenici	
Mr. Nickles	
Mr. Craig	
Mr. Campbell	
Mr. Thomas	
Mr. Kyl	
Mr. Grams	
Mr. Jeffords [1]	
Mr. Burns	
Mr. Johnston	
Mr. Bumpers [1]	
Mr. Ford	
Mr. Bradley [1]	
Mr. Bingaman [1]	
Mr. Akaka	
Mr. Wellstone	
Mr. Heflin	
Mr. Dorgan [1]	

[1] Indicates vote by proxy.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 13, 1995.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1012, a bill to extend the time for construction of certain FERC licensed hydro projects, as ordered reported by the Senate Committee on Energy and Natural Resources on October 11, 1995. CBO estimates that enacting the bill would have no net effect on the federal budget.

The bill would extend the deadline for construction of two hydroelectric projects currently subject to licensing by the Federal Energy Regulatory Commission [FERC]. This provision may have a

minor impact on FERC's workload. Because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs would be offset by an equal change in the fees that the commission charges. Hence, the bill's provisions would have no net budgetary impact.

Because FERC's administrative costs are limited in annual appropriations, enactment of this bill would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill. In addition, CBO estimates that enacting the bill would have no significant impact on the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kim Cawley.

Sincerely,

JUNE E. O'NEILL, *Director.*

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out this measure.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the provisions of the bill. Therefore, there would be no impact on personal privacy.

Little, if any additional paperwork would result from the enactment of this measure.

EXECUTIVE COMMUNICATIONS

The pertinent communications received by the Committee from the Federal Energy Regulator Commission setting forth Executive agency relating to this measure are set forth below:

STATEMENT OF ELIZABETH A. MOLER, CHAIR, FEDERAL ENERGY REGULATORY COMMISSION

Mr. Chairman and members of the subcommittee, thank you for the opportunity to comment on S. 1012, a bill that would extend the statutory deadline for the start of construction of two hydroelectric projects licensed by the Federal Energy Regulatory Commission.

EXTENDING DEADLINES TO COMMENCE PROJECT CONSTRUCTION

Section 13 of the Federal Power Act requires that construction of a licensed project be commenced within two years of issuance of the license. Section 13 authorizes the Commission to extend this deadline once, for a maximum additional two years. If project construction has not commenced by this deadline, Section 13 requires the Commission to terminate the license.

Both of the projects in question have received the maximum four years for commencement of construction. S. 1012 would authorize the Commission to extend the deadline for both projects by an additional six years, for a total of ten years.

As a general principle, I do not support the enactment of bills authorizing or requiring construction extensions for individual projects. However, if such extensions are to be authorized, as a matter of policy I have objected to such extensions only where they would grant a licensee more than ten years from the issuance date of the license to commence construction. S. 1012 does not go beyond this ten-year point. Accordingly, I do not have specific objections to the proposed legislation. Attached to my testimony are detailed comments about the bill and the projects they concern.

CONCLUSION

This concludes my prepared remarks. The Commission staff is available to answer any question you may have. Thank you.

APPENDIX TO TESTIMONY OF ELIZABETH A. MOLER

S. 1012 (Sen. D'Amato)

S. 1012 would authorize the Commission to extend for up to six years (10 years after licensing) the deadline for commencement of construction of Project Nos. 4244 and 10648.

Project No. 4244

On January 17, 1992, the Commission issued a license to Long Lake Energy Corporation to construct and operate the 9.7 megawatt Northumberland Hydro Project at an existing New York State dam on the Hudson River, in Saratoga and Washington Counties, New York. In 1992, the Commission approved the transfer of the project license to NHP, L.P. The deadline for commencement of construction, originally January 16, 1994, was extended to January 16, 1996, because the licensee had not obtained a power sales contract.

Construction entails adding flashboards to be existing dam, a powerhouse, headrace, tailrace, and related project facilities.

Project No. 10648

On June 9, 1993, the Commission issued a license to Adirondack Hydro Development Corporation and McGrath Industries, Inc. to construct and operate the 10.2 megawatt Waterford Project at an existing New York State dam on the Hudson River, in Saratoga and Rensselear Counties, New York. The deadline for commencement of construction, originally June 9, 1995, was extended to June 9,

1997, because the licensee had not obtained a power sales contract.

Construction entails adding a powerhouse, a 164-foot-long intake channel, a 1.9-mile-long transmission line, and related project facilities.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by S. 1012, as order reported.

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