

**Prepared Testimony of George M. Caan
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**Senate Energy & Natural Resources Committee, Subcommittee on Water and Power
S. 2891, the “Hoover Power Allocation Act of 2009”
June 9, 2010
Washington D.C.**

Good morning Madam Chairwoman Stabenow, Senator Brownback, and Members of the Subcommittee. My name is George Caan and I am the Executive Director of the Colorado River Commission of Nevada. I appreciate your invitation to speak to you today regarding S. 2891, and I want especially to thank you Madam Chairwoman for your efforts and leadership on this bill. I speak today on behalf of the State of Nevada, one of the three lower basin states directly affected by the Hoover power contracts. The Colorado River Commission of Nevada strongly supports S. 2891. I also submit for the record support letters from the Nevada customers who benefit from Hoover power including the Southern Nevada Water Authority and NV Energy.

The Colorado River Commission is the state agency responsible for receiving and allocating federal hydropower from the Colorado River that is provided to the State of Nevada. This legislation is crucial to my state. The Colorado River Commission receives electric power generated by Hoover Dam through delivery contracts with the Western Area Power Administration of the U.S. Department of Energy. The Commission, in turn, contracts to deliver Hoover power to retail and wholesale customers in Southern Nevada. We also operate a power delivery system to deliver this critical resource to our customers.

The Colorado River Commission of Nevada has worked for over two years with representatives of Arizona and California to develop this consensus approach to ensuring that the

benefits of Hoover power will continue to be delivered to the citizens of our three states after current contracts expire in 2017.

S. 2891 extends current Hoover power contracts for fifty years to 2067. This time frame coincides with the fifty year commitment that Hoover power customers made to pay a share of the costs of the Lower Colorado Multi-Species Conservation Program that provides protection for endangered species in the Lower Colorado River system.

It also re-directs five percent of Hoover power from current contractors to a resource pool for entities who do not receive any Hoover power today. This bill will allow federally-recognized Indian tribes to apply for the dam's power for the first time, as well as entities eligible under section 5 of the Boulder Canyon Project Act such as states, municipal corporations, political subdivisions, irrigation districts, and rural electric cooperatives.

The Western Area Power Administration will allocate two-thirds of the pool, and the remaining one-third of the pool will be distributed in equal shares through the Arizona Power Authority (for new allottees in Arizona), the Colorado River Commission of Nevada (for new allottees in Nevada), and through Western (for new allottees in California). S. 2891 requires new allottees to pay a proportionate share of the costs borne today by current contractors for operational and environmental purposes.

During House consideration of the identical H.R. 4349, amendments were adopted to address tribal sovereignty concerns and to give Western the additional time it requested for allocating the new resource pool. We urge the Congress to approve S. 2891 with these amendments approved by the House.

Congressional approval is needed to ensure the continued availability and reliability of Hoover power to the citizens of Nevada, Arizona and California. The State of Nevada supports

S. 2891 in its entirety and urges the Committee to approve the bill. Thank you again for the opportunity to speak with you today. I'd be happy to answer any questions you may have.