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Senate Energy & Natural Resources Committee, Subcommittee on Water and Power

S. 2891, the “Hoover Power Allocation Act of 2009”

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Chairwoman Stabenow, Sen. Brownback and Members of the Subcommittee, thank you for inviting me to participate in today’s hearing on S. 2891, the *Hoover Power Allocation Act*.

The Southern California Public Power Authority (SCPPA) is a joint powers authority consisting of 11 municipal utilities and one irrigation district. Our members deliver electricity to approximately 2 million customers over an area of 7,000 square miles, with a total population of 4.8 million consumers. SCPPA members that are Hoover participants include the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Colton, Glendale, Los Angeles, Pasadena, Riverside and Vernon.

Pasadena was one of the original contractors for power from Hoover Dam. In 1931, the city of Pasadena, along with Glendale, Burbank, Los Angeles, Metropolitan Water District, Southern California Edison and the States of Arizona and Nevada agreed to pay rates sufficient to guarantee the federal government that construction costs of the multi-purpose, almost 1500 megawatt dam would be repaid in 50 years.

Hoover Dam and power plant was entirely paid for by the original power users – not by the federal taxpayers. All the benefits of this multi-purpose dam, including flood control, municipal and industrial water supply, irrigation and recreation were made possible by the commitment of these original power users to pay for the dam. Since its inception, Hoover Dam has provided these multiple benefits to millions of citizens in Arizona, California and Nevada.

Pasadena was also one of the parties that agreed, in 1984, to advance fund the costs of uprating the turbines at Hoover, which resulted in another 500 MW of generation from the dam.

Pasadena joined SCPPA cities Glendale, Anaheim, Riverside, Azusa, Banning, Colton, Vernon and the States of Arizona and Nevada in that uprating effort which, again, used no taxpayer money.

Power from Hoover Dam has always been allocated by Act of Congress, rather than through an administrative proceeding. The *Boulder Canyon Project Act of 1928* authorized construction of the dam and related facilities and allocated power to the original contractors, including Pasadena. The *Hoover Power Plant Act of 1984* authorized the Hoover uprating project, re-allocated power to the original contractors and allocated the new capacity and energy to the uprating participants.

In anticipation of the expiration of current contracts for Hoover, in 2017, power users in Arizona, California and Nevada got together more than two years ago to begin negotiations that led to the S. 2891. These negotiations led to the legislation before you today, which:

- Authorizes the Secretary of Energy to enter into 50-year contracts with existing contractors for 95% of the capacity and energy they now receive;
- Gives power users a contract term that matches the financial commitment made by water and power contractors in the Lower Colorado River Multi-Species Conservation Plan (MSCP) legislation signed into law in 2009. The MSCP funds will be used for 50 years of environmental mitigation on the Lower Colorado River; and
- Creates a 5% “set aside” of capacity and energy for new entrants, including Indian tribes, municipalities, rural electric cooperatives and irrigation districts that do not now receive Hoover power.

From Pasadena’s point of view, passage of this legislation will enable us to plan effectively for long-term power supplies to meet customer demand. It will also offset the higher cost of renewable resources we will acquire to meet the 40% by 2020 target Pasadena has adopted. All of the other SCPPA Hoover contractors have adopted similar, or higher, renewable energy targets.

And, passage of this bill will match the commitment water and power users made to fund the MSCP with contracts that ensure the benefits of the power generated at Hoover.

Pasadena is proud that it was one of the original Hoover participants and that we were participants in the upratings authorized in 1984. This unique facility, paid for by power users, not by taxpayers, provides immeasurable benefits to citizens Southern California, Arizona and Nevada.

We are also proud that the legislation we are discussing today was agreed-to unanimously by Hoover contractors in the three states. And, we are gratified to have strong bi-partisan support for the bill in the House and the Senate. Thank you for the opportunity to present this statement and I would be happy to answer any questions you may have.