

Testimony of

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**Before the Subcommittee on Water and Power of the
Committee on Energy and Natural Resources, United States Senate**

Hearing on

S. Amdt. 579 and H.R. 316, the Collinsville Renewable Energy Promotion Act

April 16, 2013

Chairman Schatz, Ranking Member Lee, and Members of the Subcommittee:

My name is John Katz, Deputy Associate General Counsel for Energy Projects, Federal Energy Regulatory Commission. I appreciate the opportunity to appear before you to discuss S. Amdt. 579 and H.R. 316. As a member of the Commission's staff, the views I express in this testimony are my own, and not those of the Chairman or of any individual Commissioner, other than as specifically noted below.

I. Background

On February 23, 2001, the Commission issued original licenses to Summit Hydropower for the 373 kilowatt (kW) Upper and the 920 kW Lower Collinsville Hydro Projects, to be located at the Upper and Lower Collinsville Dams on the Farmington River, in Hartford County, Connecticut.

Section 13 of the Federal Power Act requires that licensees commence project Construction by the deadline established in the license, which may be no longer than two years from the date of license issuance. The Commission may extend the deadline once, for no longer than two additional years. If construction does not timely commence, section 13 requires the Commission to terminate the license by written order.

Consistent with section 13, Article 301 of the licenses for the Collinsville Upper and Lower Hydroelectric Projects required the licensee to commence project construction within two years. On November 26, 2002, at the licensee's request, the Commission issued the maximum allowable two-year extension, moving the commencement of construction deadline to February 23, 2005.

Summit did not commence project construction by the deadline. Accordingly, by letter dated November 2, 2007, the Commission gave Summit notice of probable termination of the licenses. Summit did not reply to the notice. By order issued December 4, 2007, the Commission terminated the project licensees. The licensee did not seek rehearing of the termination order, which therefore became final on January 3, 2008.

II. S.Amdt.579 and H.R. 316

S.Amdt.579 and H.R. 316 would authorize the Commission to reinstate either or both of the licenses for the Upper and Lower Collinsville Projects, to extend for two years the commencement of construction deadline for the projects, and to transfer the license or licenses to the Town. As specified in S.Amdt.579, the Town would be subject to the terms and conditions of the prior license(s) and both bills provide that the Commission will add to the license(s) any additional terms and conditions the Commission deems to be necessary.

In addition, both bills provide that the Commission will supplement the environmental analysis prepared in connection with the issuance of the prior licenses, to examine all new circumstances or information relevant to environmental concerns relating to the reinstated licenses.

Chairman Wellinghoff and the last several Commission Chairmen have taken the position of not opposing legislation that would extend the commencement of construction deadline no further than 10 years from the date that the license in question was issued. Where proposed extensions would run beyond that time, there has been a sense that the

public interest is better served by releasing the site for other public uses, that competition in the development of hydropower projects should be encouraged, and that environmental information may over time become stale.

In this instance, the proposed extensions would run at least three years beyond 10 years from when the licenses for the Upper and Lower Collinsville Projects were issued. However, to Commission staff's knowledge, in the more than five years since the project licenses were terminated, no entity has sought to develop the projects or proposed other uses for the project sites, thus ameliorating concerns about competition or release of the sites. Moreover, because the bills specifically provide for the preparation of an updated environmental analysis, staleness of the environmental record will not be an issue. In consequence, I am authorized to state that Chairman Wellinghoff does not oppose S.Amdt.579 or H.R. 316.

I would be pleased to answer any questions you may have.