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Statement of Testimony on behalf of the Northern California Power Agency

"Legislative Hearing on H.R. 2733 and H.R. 2085"

House Committee on Natural Resources Subcommittee on Water and Power

September 18, 2007

Madame Chairwoman, Members of the Subcommittee, on behalf of the membership of the Northern California Power Agency (NCPA), I want to thank you for holding this hearing today. I am a member of NCPA in my capacity as the Electric Utility Director for the City of Redding, California.

Collectively, NCPA members purchase approximately 40 percent of the power generated by the federal Central Valley Project (CVP). NCPA members are strongly committed to the needs and interests of the communities they serve, and we have a long tradition of providing low-cost electricity in an environmentally and socially responsible manner. NCPA members serve approximately 400,000 customers, with a peak load of 1,182 megawatts.

The California cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara and Ukiah; as well as the Bay Area Rapid Transit District, Port of Oakland, the Turlock Irrigation District, and the Truckee Donner Public Utility District are members of NCPA. The Placer County Water Agency and Plumas-Sierra Rural Electric Cooperative are associate members of the agency.

We commend Congressmen Mike Thompson and George Miller for introducing the Trinity River Restoration Fund Act of 2007, H.R. 2733. NCPA supports the environmental restoration of the Trinity River, and we believe that legislation clarifying the federal authorization for the restoration program is beneficial.

In light of our continuing commitment to restoring the Trinity River, NCPA was pleased to participate in a stakeholder meeting conducted by Congressman Thompson in Eureka, California, on March 27 of this year. That meeting facilitated the development of this legislation. H.R. 2733 would resolve current confusion regarding the authorization for the Trinity River Restoration Program, and would clarify its funding source, both of which are vitally important steps in ensuring that effective restoration work is undertaken expeditiously.

I serve as a public power representative on the Trinity Adaptive Management Working Group, which is a diverse group of stakeholders that advises the Trinity Management Council. In that capacity, I consistently have supported ongoing efforts to ensure that the Trinity River Restoration Program continues to increase its emphasis on programs that result in real, on-the-ground restoration work. The Trinity River Restoration Program identified and scheduled a series of projects aimed at accomplishing the physical changes and other restoration activities set forth in the Trinity River Record of Decision. We are pleased that the focus of activity has now matured to the point of undertaking actions and evaluating results in the true spirit of adaptive management.

For example, the Trinity River Restoration Program is nearing completion of 8 out of the 47 channel rehabilitation projects that were identified in the Record of Decision, and 16 more sites are scheduled to be completed next year. A Master Environmental Impact Report is being developed for the remaining sites in order to streamline the

environmental processes and proceed with projects that will increase available fish spawning habitat.

Downstream flow releases have increased since 2000, and, in fact, the second highest release since pre-dam levels of 10,200 cubic feet per second was completed in May 2006. These new flow regimes are decreasing fine sediments and improving water temperature objectives within the river which, in combination with the channel rehabilitation projects and additions of spawning gravel, are already encouraging upward trends for both Coho salmon and steelhead populations.

The Trinity River Restoration Fund, created by H.R. 2733, would be derived from the capital component of payments made by water and power contractors, including NCPA members, under long-term contracts, and those costs would be treated as nonreimbursable under Federal Reclamation law. Thus, funding under this authorization would not unduly impose additional expenses on electric ratepayers.

This is important to us because, over the years, Trinity River diversions to the Central Valley Project have seen large reductions. Those reductions mean less power is generated by the CVP, and that has diminished the value of the CVP to our member communities. But the costs allocated to water and power have not been accordingly adjusted. The nonreimbursable provisions of HR 2733 would help mitigate that lost value. In addition, Section 8 would require that the capital repayment obligation of CVP water and power contractors, and the appropriate share of the Federal investment in the CVP, will be reduced by the amount paid into the Trinity River Restoration Project. These two provisions are critical to ensure that payments into this program are properly aligned with the public benefits provided.

As this legislation is considered, we would encourage the committee to exercise diligent oversight over the amounts allocated to the Trinity River Restoration Fund, and over the administration of the Trinity River Restoration Project, in order to ensure that federal dollars are spent effectively on actual restoration work. Along those lines, the funding levels stipulated in H.R. 2733 should be reviewed periodically by Congress to assure efficient and effective use of Trinity River Restoration funding.

In closing, let me say that we appreciate the due diligence that this committee pays to its oversight responsibilities over the Central Valley Project. We thank you for holding this hearing, and we encourage you to move this legislation forward. Thank you.