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115TH CONGRESS 1st Session | SENATE | REPORT 115–82

TO EXTEND THE DEADLINE FOR COMMENCEMENT OF CONSTRUCTION OF CERTAIN HYDROELECTRIC PROJECTS

MAY 24, 2017.—Ordered to be printed

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

R E P O R T

[To accompany S. 730]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 730) to extend the deadline for commencement of construction of certain hydroelectric projects, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of S. 730 is to extend the deadline for commencement of construction of the Gathright and Flannagan hydroelectric projects in Virginia.

BACKGROUND AND NEED

The Federal Energy Regulatory Commission (Commission) issued an original license for the Flannagan Hydroelectric Project (No. 12740) in Dickinson County, Virginia, on January 27, 2012. Pursuant to section 13 of the Federal Power Act (FPA, 16 U.S.C. 806), the licensee was required to commence project construction within two years. At the licensee's request, the Commission extended the deadline by two years, until January 27, 2016.

The Commission issued an original license for the Gathright Project (No. 12737) in Alleghany County, Virginia, on March 13, 2012, and subsequently extended the construction commencement deadline at the licensee's request by two years, until March 13, 2016.

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Construction has not yet begun on either project, and the Commission has granted the maximum extensions allowed by the FPA.

LEGISLATIVE HISTORY

Senator Kaine introduced S. 730 on March 27, 2017.

In the 114th Congress, a similar measure was included in Amendment No. 3234, which the Senate agreed to on April 19, 2016, as an amendment to S. 2012, the Energy Policy Modernization Act of 2016, which the Senate passed, as amended, on April 20, 2016.

In the House of Representatives, Representative Griffith introduced H.R. 4411, to extend the deadline for the Gathright project, and H.R. 4412, to extend the deadline for the Flannagan project, on February 1, 2016. Both bills passed the House of Representatives by voice vote on March 14, 2016.

In the 115th Congress, Representative Griffith introduced companion measures, H.R. 446, related to the Gathright Project, and H.R. 447, related to the Flannagan project, in the House of Representatives on January 11, 2017.

The Committee on Energy and Natural Resources met in open business session on March 30, 2017, and ordered S. 730 favorably reported.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on March 30, 2017, by a majority voice vote of a quorum present, recommends that the Senate pass S. 730.

SECTION-BY-SECTION ANALYSIS

Section 1 authorizes the Commission to extend, for up to six years, the commencement of construction deadline for two projects: the Flannagan Hydroelectric Project (No. 12740), to be located at the U.S. Army Corps of Engineers' (Corps) John W. Flannagan Dam and Reservoir, on the Pound River in Dickinson County, Virginia, and the Gathright Hydroelectric Project (No. 12737), to be located at the Corps' Gathright Dam in Alleghany County, Virginia. This section also authorizes the Commission to reinstate the license for either project if the license has expired prior to the date of enactment of this Act. If so reinstated, the reinstated license is to be effective as of the date of expiration of the previous extension.

COST AND BUDGETARY CONSIDERATIONS

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

CBO estimates that implementing S. 730 would have no net effect on the federal budget. The bill would authorize the Federal Energy Regulatory Commission (FERC) to reinstate the licenses and extend the deadline for beginning construction of two hydroelectric projects in Virginia: the Gathright Hydroelectric Project (number 12737) and the Flannagan Hydroelectric Project (number 12740). The proposed extensions could have a minor effect on FERC's workload; however, because FERC recovers 100 percent of its costs through user fees, any change in that agency's costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges, resulting in no net change in federal spending.

Enacting S. 730 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 730 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 730 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

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 S. 730. 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 program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 730, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 730, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

Executive Communications were not requested by the Committee on Energy and Natural Resources in the 115th Congress.

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 the bill as ordered reported.

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