



March 5, 2025

The Honorable Mike Lee
Chairman
Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Martin Heinrich
Ranking Member
Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Lee and Ranking Member Heinrich:

The American Public Power Association (APPA) writes in support of the Basin Fund Preservation Act. This legislation would address challenges associated with diminished hydropower production in the Colorado River Storage Project (CRSP) system.

In July 2024, the Bureau of Reclamation finalized a Record of Decision (ROD) and immediately began implementing bypass flows at Glen Canyon Dam to combat the presence of predatory smallmouth bass downstream of the dam that threaten the federally protected humpback chub. These flows bypass hydropower generators to cool the river temperature below the dam to attempt to disrupt spawning of smallmouth bass.

The lost hydropower generation had to be replaced with power purchased on the open market at variable prices, which amounted to nearly \$20 million in 2024. The ROD continues through 2027. The Western Area Power Administration (WAPA) makes these purchases using the Upper Colorado River Basin Fund (Basin Fund), which is funded by hydropower revenues; or in other words, customer funded.

The cost of these actions was estimated in the ROD to be between \$60-70 million. Given these unplanned expenses being funded from the Basin Fund, there are significant potential negative implications for routine operations, maintenance, and replacement of critical infrastructure in the CRSP system. And absent additional federal appropriations to WAPA, these costs are borne by not-for-profit, consumer-owned electric utilities that have contracted with WAPA to supply electricity for their customers.

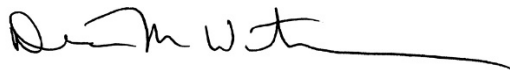
The Basin Fund Preservation Act would help to bring WAPA and the Bureau of Reclamation together with hydropower customers and other stakeholders, including the Glen Canyon Dam Adaptive Management Work Group, to produce an action plan to identify and address the effects of the bypass flows on the Basin Fund, as well as the impacts of diminished hydropower generation at Glen Canyon Dam on grid reliability. The plan will also require the federal agencies to identify the impacts of these actions on any species listed as threatened or endangered under the Endangered Species Act.

It is important for hydropower customers to have a seat at the table in the establishment of an action plan to address the impacts of Reclamation's decision to bypass hydropower generators. The increased costs to customers, as well as impacts to grid reliability and regular operations and maintenance of critical infrastructure, must be carefully considered and any action plan to address these challenges must include the unique perspectives of not-for-profit electric utility customers that are funding these actions. This legislation will ensure that these customers are given that opportunity.

APPA supports this legislation that will help ensure continued dialogue and collaboration between hydropower customers and the federal agencies that work together to operate and manage Glen Canyon Dam for the multiple benefits of stakeholders and endangered species.

We greatly appreciate your efforts to resolve this issue and respectfully request the Energy & Natural Resources Committee to promptly consider and advance this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Desmarie Waterhouse", followed by a long horizontal line extending to the right.

Desmarie Waterhouse
Senior Vice President, Advocacy and Communications & General Counsel