



March 15, 2024

The Honorable Krysten Sinema  
317 Hart Senate Office Building  
Washington D.C. 20510

Dear Senator Sinema:

I write in support of your legislation, the Help Hoover Dam Act of 2024, a commonsense solution to an issue faced by public power utilities that receive power from the Hoover Dam.

APPA is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. Public power utilities provide power to more than 49 million people in 49 states and five U.S. territories. NRECA is the national service organization representing the national interests of cooperative electric utilities and the consumers they serve. More than 900 not-for-profit rural electric utilities provide electric energy to over 42 million people in 48 states, or 12 percent of electric customers nationwide.

The federal Power Marketing Administrations (PMAs) provide millions of Americans served by not-for-profit public power utilities and rural electric cooperatives with cost-based hydroelectric power produced at federal dams operated by the U.S. Army Corps of Engineers and Bureau of Reclamation (Reclamation). The PMAs market federally generated hydropower, with a statutory right of first refusal granted to not-for-profit entities, including public power utilities, rural electric cooperatives, and tribes, at rates set to cover all the costs of generating and transmitting the electricity, as well as repayment, with interest, of the federal investment in these multiple purpose projects.

Each year, the Western Area Power Administration (WAPA), collects funds through power rates charged to hydropower project contractors, including the Boulder Canyon Project (Hoover Dam) power contractors. For Hoover Dam only, revenues are deposited into the Colorado River Dam Fund, a revolving fund controlled by Reclamation under the Boulder Canyon Project Act. The funds are used to pay for the cost of operation, maintenance, and replacements at Hoover Dam.

In addition to the fees collected through power rates, the Department of Energy (DOE) directed WAPA to collect around \$2 million annually from Hoover contractors to fund Post Retirement Benefits (PRBs) for WAPA and Reclamation federal employees to cover any gap in benefits from Department of Labor allocations. This change by DOE started in 2000 and was based on a policy decision, not a law change. However, Congress already provides appropriations to the Office of Personnel Management to cover any PRB funding gap and ensures all PRB costs are covered under the federal Civil Service Retirement and Disability Fund. Today, there are \$45 million dollars sitting stranded in this account.

The Help Hoover Dam Act would give Reclamation the congressional authority necessary to make beneficial use of these stranded PRB funds to pay for operation, maintenance, and replacement projects at Hoover Dam. Hoover Dam is a valuable resource in the Southwest that provides a clean and affordable energy resource for many rural communities and supports critical grid reliability in the

western United States. Access to these funds will allow Reclamation to mitigate rate impacts now and into the future, freeing up \$45 million in funds that customers have already pre-paid.

Drought on the Colorado River has had a dramatic impact to Hoover Dam customers, reducing generation by roughly 40 percent compared to pre-drought generation levels. This legislation is urgently needed to help not-for-profit, community-owned utilities served by Hoover Dam to continue to serve their communities during this difficult time. Thank you for your leadership on this important issue.

Sincerely,

American Public Power Association

National Rural Electric Cooperative Association