

# Corps Hydro Appropriations FY 2010 Needs

- SWPA gets hydro from 24 Corps of Engineers dams in our region.
- Hydro is a renewable, non-fossil energy source.
  - In 2008, hydro marketed by SWPA displaced the equivalent of 3,438,632 tons of coal, or 11,892,732 barrels of oil, or 73,017,191,624 cubic feet of natural gas.
  - This same hydro energy displaced 5,966,311 tons of carbon dioxide (CO<sub>2</sub>), 17,992 tons of sulphur dioxide (SO<sub>2</sub>), and 14,394 tons of nitrogen oxides (NO<sub>x</sub>) that would have come from fossil-fueled generation.
- The Corps projects are aging, and many components are reaching or have passed the end of their useful lives.
  - Of the powerplants supplying SWPA, 8 are more than 50 years old, another 7 are more than 40 years old, and another 5 are more than 30 years old.
  - The Corps' other 51 hydropower plants are of similar vintage and facing similar challenges.
- As equipment ages, it requires more attention – more repairs, more replacement parts, even major rehabilitation. But as the Corps' hydro plants have aged, appropriations for maintenance, replacements and rehab have not kept pace. The result: more forced outages, more purchases of expensive fossil-fired replacement energy, and increased greenhouse gas emissions. The statistics bear this out:
  - While the Corps' goal for peak availability of its hydro units is 98 percent, by FY 2008 this figure had fallen to 86 percent.
  - During the past nine years the forced outage rate for Corps hydro units has increased by almost 158 percent.
  - During the past five years, forced outages at the hydro plants serving SWPA caused the loss of almost 1,000 gigawatt-hours of energy with a value of almost \$50 million.
- Appropriations for Corps hydro maintenance, replacement and rehabilitation do **not** increase the long-term deficit. The customers of SWPA and other PMAs pay for all these costs, plus interest on capital investment, through their wholesale power rates. SWPA is already collecting though its rates sufficient funds to cover replacement and rehab of all Corps hydro components as the work is needed. But this money is sent straight to the Treasury, and is not being appropriated to the Corps to perform the work for which the money is being collected.
- The money appropriated to Corps infrastructure in the stimulus bill will not make a dent in the work that needs to be done. The Corps has a hydro maintenance backlog alone of \$350 million, plus another \$1.56 billion needed to rehab its hydro plants.
- SPRA urges Congress to appropriate at least \$7 billion in FY 10 to the Corps. A more realistic figure, considering the backlog of work at all Corps projects nationally, is \$12 billion.
- SPRA has compiled a list of needed component replacements, non-routine maintenance and major rehabilitation needed at the 24 Corps hydro projects that supply its members. Please ask the House and Senate Energy and Water Appropriations Subcommittees to ensure that funding for these projects is included in either the stimulus bill or the FY 10 Corps appropriations.