

RPTR TELL

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MARKUP OF:

H.R. 1733, TO DIRECT THE SECRETARY OF ENERGY TO REVIEW AND UPDATE A REPORT ON THE ENERGY AND ENVIRONMENTAL BENEFITS OF THE RE-REFINING OF USED LUBRICATING OIL;

H.R. 2872, PROMOTING HYDROPOWER DEVELOPMENT AT EXISTING NONPOWERED DAMS ACT; AND

H.R. 2880, PROMOTING CLOSED-LOOP STORAGE HYDROPOWER ACT

THURSDAY, OCTOBER 26, 2017

House of Representatives,

Subcommittee on Energy,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:02 a.m., in Room 2123, Rayburn House Office Building, Hon. Fred Upton [chairman of the subcommittee] presiding.

Present: Representatives Upton, Olson, Shimkus, Latta,

McKinley, Griffith, Johnson, Long, Bucshon, Flores, Mullin, Hudson, Cramer, Walberg, Walden (ex officio), Rush, Peters, Green, Tonko, Loeb sack, Schrader, Kennedy, and Pallone (ex officio).

Staff Present: Ray Baum, Staff Director; Mike Bloomquist, Deputy Staff Director; Allie Bury, Legislative Clerk, Energy/Environment; Karen Christian, General Counsel; Kelly Collins, Staff Assistant; Zachary Dareshori, Staff Assistant; Wyatt Ellertson, Research Associate, Energy/Environment; Adam Fromm, Director of Outreach and Coalitions; Ali Fulling, Legislative Clerk, O&I, DCCP; Theresa Gambo, Human Resources/Office Administrator; Tom Hassenboehler, Chief Counsel, Energy/Environment; Jordan Haverly, Policy Coordinator, Environment; A.T. Johnson, Senior Policy Advisor, Energy; Peter Kielty, Deputy General Counsel; Ben Lieberman, Senior Counsel, Energy; Mary Martin, Deputy chief Counsel, Energy/Environment; Alex Miller, Video Production Aide and Press Assistant; Brandon Mooney, Deputy Chief Energy Advisor; Mark Ratner, Policy Coordinator; Tina Richards, Counsel, Environment; Annelise Rickert, Counsel, Energy; Dan Schneider, Press Secretary; Peter Spencer, Professional Staff Member, Energy; Jason Stanek, Senior Counsel, Energy; Madeline Vey, Policy Coordinator, DCCP; Evan Viau, Legislative Clerk, C&T; Hamlin Wade, Special Advisor, External Affairs; Andy Zach, Senior Professional Staff Member, Environment; Priscilla Barbour, Minority Energy Fellow; Jeff Carroll, Minority Staff Director; Elizabeth Ertel, Minority Office Manager; Jean Fruci, Minority Energy and Environment Policy Advisor; Rick Kessler, Minority

Senior Advisor and Staff Director, Energy and Environment; John Marshall, Minority Policy Coordinator; Dan Miller, Minority Policy Analyst; Alexander Ratner, Minority Policy Analyst; Tim Robinson, Minority Chief Counsel; and Tuley Wright, Minority Energy and Environment Policy Advisor.

Mr. Upton. Okay. This morning we meet to mark up three bills, H.R. 1733, 2872, and 2880. The first piece of legislation H.R. 1733 is a bipartisan bill -- all these are bipartisan bills -- introduced by Mrs. Brooks and Mr. Kennedy that simply requires that the Secretary of Energy update a report on the energy and environmental benefits of re-refining used lubricating oil.

Recycling used lubricating oil is certainly good for the environment, reduces energy consumption, and, in fact, produces high-quality products for consumers. I want to thank both of my colleagues for working in a bipartisan fashion on this very important bill.

We are also marking up two bills to promote new hydropower development at existing nonpowered dams and closed-loop pump storage projects, and as we have heard in testimony before this subcommittee that these projects are a win-win; minimal environmental impact, new investment, jobs, added benefits to the grid.

H.R. 2872 Promoting Hydropower Development At Existing Nonpowered Dams Act was introduced by Mr. Bucshon to promote new hydropower development at existing nonpowered dams by providing that the FERC has the discretion to grant exemptions from license requirements for certain qualifying facilities. And as we heard in the testimony before this subcommittee and committee, the greatest potential for new hydropower projects are at existing dams, however, there is a lot of red tape, and regulatory agencies could do a better job coordinating with each other.

H.R. 2880, Promoting Closed-Loop Pump Storage Hydropower Act was introduced by Mr. Griffith to promote closed-loop pump storage hydrodevelopment by limiting FERC's authority to impose only licensing conditions that are necessary to protect public safety or are reasonable, economically feasible, and essential to protect fish and wildlife resources. Closed-loop pump storage is not a new technology, but with the changing energy landscape new opportunities could become available, such as re-repurposing abandoned coal mines for hydro projects.

Hydropower is the Nation's number one renewable, producing electricity with negligible emissions. Today it is responsible for providing 7 percent of the Nation's total energy needs, and with continued technological advancement and smarter regulations, hydropower generations could expand by an additional 50 percent by 2025.

These two bills represent good faith efforts to increase hydropower across the country. I appreciate the cooperation of colleagues on both sides of the aisle through the process. I understand that they are still concerned with some of the hydro bills. We are committed to working with them so that we can move these bills out of committee to the House floor as soon as possible.

I also want to note that today's markup is the last markup for a guy that has been with us for a lot of years. We were so fortunate to land him at the beginning, but Tom Hassenboehler, stand up so we know who you are here in the back; 25 million watching this on C-SPAN.

He has been a great guy. He has shepherded so many different pieces of legislation, always had a great reputation here among our committee members on both sides of the aisle, but I will also note that he is going across to the other side of the Capitol, and we have got a pretty good relationship over there as we have been able to move a number of bills through that process. Tom will be with us down the street. Always a great guy, but we wish you the very best.

The Chairman. Mr. Chairman, would you yield?

Mr. Upton. I would yield to the chairman of the full committee.

The Chairman. With the support of the committee I just want to thank Tom, as well. I have had great opportunity to work with him as chairman of the committee and off and on before that, and he is one of the most thoughtful people, counsels, legislative assistants, whatever you want to call it. I guess he actually started as Jerry Curry's intern.

So we are going to miss you, Tom. You set a high standard, I think, for anybody on staff, and Hudson and I are former staffers around here, and you really appreciate people who get it, understand, know how to work with Members, bring intellect to the process, and help move good legislation, bipartisan legislation along. And you have done that. You have served the country well. We will miss you, but thank you for your great service. I yield back.

Mr. Upton. Just a little inside story, I also appreciate him going to meetings where they wanted me, and I knew that he would do.

Okay. With that I yield to the ranking member of the

subcommittee, Mr. Rush.

[The prepared statement of Mr. Upton follows:]

***** COMMITTEE INSERT *****

Mr. Rush. Mr. Chairman, thank you so much. I want to first of all extend my congratulations to Tom, to tell you you really are someone who we have been looking forward to seeing you go, man. You have been a worthy opponent, an adversary, and since you and your party -- we think that we are in better shape on our side, better consideration, and we wish you well on [inaudible] you have been ascending, and your service, and I want to congratulate you, also.

Mr. Chairman, I just want to thank you so much for this markup and on three bills, H.R. 1773 and 2872 and 2880. And, Mr. Chairman, as you know, we haven't completely sealed the deal on the two hydropower bills, H.R. 2872 and 2880, but we understand that the minority and majority committee staff will continue to negotiate in good faith following today's subcommittee markup, and I fully expect to reach a bipartisan agreement on both bills at some point in the near future.

So, Mr. Chairman, in the interest of time again I look forward to supporting both of these bills today, and in the interest of time I yield back the balance of my time.

[The prepared statement of Mr. Rush follows:]

***** COMMITTEE INSERT *****

Mr. Upton. The gentleman yields back. Other members wishing to speak, give an opening statement? The chair would recognize the ranking member of the full committee, Mr. Pallone, for an opening statement.

Mr. Pallone. Thank you, Mr. Chairman. I would like to submit my statement for the record, as well. Ask unanimous consent.

I did want to say farewell to Tom, also. I mean, he has really been a major part of our bipartisan success, particularly on energy and environment issues, and he, I think, always made it possible to find a way to bring us together as Democrats and Republicans, and I think that is really so important. And he just has a very positive attitude, which I have always thought is very important around here, so, Tom, I wish you well in your next endeavors. I heard a little bit about it from Rick Kessler, and it sounds like it is going to be real interesting. Congratulations.

[The prepared statement of Mr. Pallone follows:]

***** COMMITTEE INSERT *****

Mr. Upton. The gentleman yields back. Other members wishing to speak or give an opening statement? If not, the chair would call up H.R. 1733 and ask the clerk to report.

The Clerk. H.R. 1733, to direct the Secretary of Energy to review and update a report on the energy and environmental benefits of the re-refining of used lubricating oil.

Mr. Upton. And without objection, the first reading of the bill is dispensed with.

[The information follows:]

***** INSERT 1-1 *****

Mr. Upton. The bill will be open for amendment at any point. So ordered. Are there any bipartisan amendments to the bill? Is there any amendments to the bill? Seeing none, the question now occurs on forwarding H.R. 1733 to the full committee. All those in favor will say aye.

Mr. Kennedy. Chairman, can I speak on it, on behalf of it?

Mr. Upton. The gentleman is recognized to strike the last word.

Mr. Kennedy. Real quick.

Mr. Upton. Real quick.

Mr. Kennedy. I will be real quick. Thank you. I want to thank the chairman and the ranking member for holding this markup and to Representative Brooks, my partner on this bill, H.R. 1733. The re-refining of used oil makes sense. The process removes contaminants from used oil and blends additives to restore the oil to its original effectiveness. This process can be done as many times as feasible, and the oil produced is suitable for use in all types of gas and diesel engines.

Additionally, this process promotes energy efficiency as a production of a usable base stock from recycled used lubricating requires significantly less energy than producing stock of crude oil. In 2005 as part of the Energy Policy Act this Congress instructed the Department of Energy to, quote, "undertake a study of the energy and environment benefits of re-refining of used lubricating oil and to report back on recommendations to improve the increase of the benefits of reuse of such oil." The resulting study released in 2006 is now

over a decade old.

While we know recycling and re-refining used oil is beneficial, we do not have the necessary updated data to inform Congress of its current policy choices that must be made in this area. This bill would require DOE to update the 2006 study, and additionally, it would direct the Department to develop a set of recommendations and national strategy that could promote the beneficial use of reused oil. I urge my colleagues to support this legislation, and I yield the balance of my time.

Mr. Upton. The gentleman yields back. Other members wishing to speak? Seeing none, the question now occurs on forwarding H.R. 1733 to the full committee.

All those in favor will say aye.

Those opposed say no.

According to the chair, the ayes have it, and the bill is forwarded on.

The chair now calls up H.R. 2872 and asks the clerk to report.

The Clerk. H.R. 2872 to amend the Federal Power Act to promote hydropower development at existing nonpowered dams and for other purposes.

Mr. Upton. Without objection, the first reading of the bill is dispensed with.

[The information follows:]

***** INSERT 1-2 *****

Mr. Upton. The bill will be open for amendment at any point. Are there any bipartisan amendments to the bill? Are there any amendments to the bill? Seeing none, the question now occurs on forwarding H.R. --

Mr. Bucshon. Mr. Chairman?

Mr. Upton. The chair would recognize the gentleman from Indiana.

Mr. Bucshon. Thank you. I would like to strike the last word and speak on the bill. Thank you, Mr. Chairman. I would like to thank the committee for bringing forth my bill, H.R. 2872, Promoting Hydropower Development At Existing Nonpowered Dams Act.

Hydropower provides benefits in the form of jobs, economic investment, improved public health, and resource conservation. In 2015 hydropower accounted for 6 percent of the total U.S. energy -- electricity generation and 46 percent of the electricity generation from renewables, yet still less than 3 percent of dams in the U.S. actually produce electricity.

A recent report by the Department of Energy found that by 2050 U.S. hydropower production could grow by almost 50 percent from current levels from a combination of upgrading existing hydropower facilities, adding generation capacity to existing nonpowered dams, and developing new hydropower facilities. The study found that the U.S. has more than 50,000 suitable nonpowered dams for developing hydropower with a technical potential to add 12 gigawatts of hydroelectric capacity.

However, the licensing process routinely requires 7 to 10 years to complete and costs tens of millions of dollars. The cost and duration of the process creates significant uncertainty and has the

potential to delay or prevent investments that would add hydropower and improve operational efficiency and safety to these dams.

H.R. 2872 promotes hydropower development at existing nonpowered dams by providing the Federal Energy Regulatory Commission, FERC, with the discretion to grant exemptions from licensing requirements for qualifying facilities.

At a time where this committee is examining our Nation's electrical grid and its reliability, it is critical that we modernize our existing infrastructure by promoting hydropower at existing nonpowered dams. As we move towards full committee, I look forward to working with my colleagues across the aisle to find a bipartisan path forward on this legislation.

Thank you, Mr. Chairman, and I yield the balance of my time.

Mr. Upton. The chairman yields back.

The question now occurs on forwarding H.R. 2872 to the full committee.

All those in favor will say aye.

Those opposed, say no.

In the opinion of the chair the ayes appear to have it. They have it, and the bill is forwarded on.

Last bill of the morning the chair would call up H.R. 2880 and ask the clerk to report.

The Clerk. H.R. 2880, to amend the Federal Power Act to promote closed-loop pump storage hydropower and for other purposes.

Mr. Upton. Without objection the first reading of the bill is

dispensed with.

[The information follows:]

***** INSERT 1-3 *****

Mr. Upton. The bill will be open for amendment at any point. So ordered.

Are there any bipartisan amendments to the bill? Are there any amendments to the bill?

Seeing none, the question now occurs on forwarding H.R. 2880 to the full committee.

All those in favor will say aye.

Those opposed say no.

In the opinion of the chair the ayes have it, and the bill is forwarded.

So without objection staff is authorized to make technical and conforming changes to the legislation approved by the subcommittee today.

I would also like to note I am sorry that one of our clerks lost a bet and had to wear that hideous tie. At least he had a good coffee mug.

And without objection the subcommittee stands adjourned.

[Whereupon, at 10:15 a.m., the subcommittee was adjourned.]