

**CHAIRWOMAN NAPOLITANO**

**OPENING STATEMENT: WP 3.4.10**

I am very pleased to call this hearing today on the President's Fiscal Year 2011 Budget Request for the federal Power Marketing Administrations. It's good see that all four of the PMA Administrators could make the trip to Washington today to update the Congress on the most important issues each of your agencies face. Welcome.

In these days of drought, flood, and extreme climate conditions, much of the focus of this Subcommittee has been on conflicts over the use of water. In my home state of California, we have spent every waking hour thinking about the best ways to balance the needs of economy and the environment. Within this Subcommittee, we also know how critical water is to the generation of clean, inexpensive hydropower that is the foundation of many rural economies in the Western and Southern United States.

Each of our four PMAs is unique in terms of geographic location, customer base, the amount of infrastructure it owns, and the authority each has. PMA Administrators' testimonies today help shed light on those

differences, yet also serve to remind us that some of the challenges our PMAs face are universal.

Water shortages caused by climate change are redefining the way we generate our power and are reducing the amount of hydropower available to customers. Also, aging infrastructure is increasingly causing a reduction in hydropower generation across the country, which points to the need to rehabilitate our generation resources if we are to maintain historic power production levels. We face increasing demand for cheap sources of clean energy and the transmission to deliver it to urban load centers as our population grows. We must also continue to develop green energy resources, yet constraints in our infrastructure limit our ability to do so.

These challenges cause us to look to the future and understand that we will have to do more with less. We need hydropower because it is the cleanest, cheapest energy we have. At the same time, more competition for increasingly scarce water makes our hydropower system more fragile over time. Innovative strategies to manage our hydropower resources are needed and those strategies must be implemented using effective leadership, strong vision, and the proper amount of funding. Today, I hope to hear from each PMA Administrator how his respective agency plans to confront tomorrow's challenges using the funding outlined in its budget request.