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8	IN THE UNITED STATES I	DISTRICT COURT FOR THE
9		OF ARIZONA
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11	GRAND CANYON TRUST,	
12	Plaintiffs,	Case No: 3:07-CV-8164-DGC
13	v.	
14 15 16 17 18 19	U.S. BUREAU OF RECLAMATION, and ROBERT W. JOHNSON, Commissioner U.S. Bureau of Reclamation Defendants	COLORADO RIVER ENERGY DISTRIBUTORS ASSOCIATION'S SUPPLEMENTAL REPLY IN SUPPORT OF FEDERAL DEFENDANTS' CROSS- MOTION FOR SUMMARY JUDGMENT ON CLAIMS 6-8
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TABLE OF AUTHORITIES Cases **Statutes** 43 U.S.C. § 485h(c)......8 Colorado River Storage Project Act of 1956 (43 U.S.C. § 620-620o) ("CRSP Act) Grand Canyon Protection Act (Pub. L. No. 102-575, 106, Stat. 4600 (1992)

CREDA joins in the "Federal Defendants' Reply Memorandum In Support Of Cross-Motion For Summary Judgment On Claims 6-8," and also files this Supplemental Reply for the purpose of correcting Plaintiff's misquotes and misstatements regarding the role of hydropower production from Glen Canyon Dam under the Colorado River Storage Project Act of 1956 (43 U.S.C. § 620-6200) ("CRSP Act) and the Grand Canyon Protection Act (Pub. L. No. 102-575, 106 Stat. 4600 (1992) ("GCPA").

Plaintiff's "Third" GCPA argument essentially argues that hydropower production at Glen Canyon Dam is unimportant and subordinate in all respects to the objectives of the GCPA. Plaintiff's Reply In Support of Motion for Summary Judgment On Claims 6-8, Dkt. 144 ("Pl. Reply") at p. 38. In support of its theory, Plaintiff asserts that "[h]ydropower is an <u>incidental</u> benefit of every other stated purpose of the dam," citing 43 U.S.C. § 620. Pl. Reply at p. 39. This is not a correct statement of the law. The relevant portion of 43 U.S.C. § 620 provides "for the generation of hydroelectric power, as <u>an incident of</u> the foregoing purposes." Congress did not provide that hydropower is "incident<u>al</u> to" or "an incident<u>al</u> benefit of" the Colorado River Storage Project. Hydropower is an "incident of" the other Congressionally defined purposes. Used in this manner and in this

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context, the word "incident" means "related to," or "resulting from," and does not mean that hydropower resources are an "incidental" or minor authorized purpose of the Colorado River Storage Project.

Plaintiff first argues that hydropower resources are not protected under the GCPA, and that Reclamation illegally considered hydropower resources in the 2008 Experimental Plan. To be specific, Plaintiff argues that "Reclamation considered a factor [hydropower] that Congress did not intend the agency to consider." Pl. Reply at p. 38. This argument fails for two reasons. Although § 1802(b) of the GCPA does not explicitly mention hydropower, it explicitly requires that the Secretary implement the GCPA in a manner that is "fully consistent with and subject to" preexisting laws, including the CRSP Act. Section 620 of the CRSP Act includes two separate references to and authorizations of hydropower facilities at Glen Canyon Dam – the authorization of hydropower as an "incident of" other authorized purposes, and the authorization to "construct, operate, and maintain ... dams, reservoirs, powerplants, transmission facilities and appurtenant works" at Glen Canyon [Dam]. However, the Congressional authorization and protection of hydropower resources in the CRSP Act is not limited to these two references to hydropower in 43 U.S.C. § 620.

¹http://encarta.msn.com/encnet/features/dictionary/DictionaryResults.aspx?refid=1 861620634

² http://www.askoxford.com/concise_oed/incident?

Plaintiff's argument that Reclamation is not authorized to consider and protect hydropower resources in its operation of Glen Canyon Dam only considers 3 U.S.C. § 620, and completely fails to address the explicit requirements of 43 U.S.C. § 620f. Section 620f requires that the Glen Canyon Dam hydroelectric power plants be "operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates." (emphasis added). Section 620f represents a second, and far more explicit, direction to the Secretary regarding the protection of hydropower resources at Glen Canyon Dam, which is protected and preserved by § 1802(b) of the GCPA.

Plaintiff attempts to evade the application of § 1802(b) of the GCPA by arguing that this section only "seeks to ensure ... compliance with the laws applicable to Colorado River water management" Pl. Reply at p. 38. Section 1802 (b) is not that narrow, as it requires that "[t]he Secretary shall implement this section in a manner fully consistent with and subject to ... the provisions of the Colorado River Storage Project Act of 1956 and the Colorado River Basin Project Act of 1968 that govern allocation, appropriation, development, and exportation of the waters of the Colorado River basin." Sections 620 and 620f of the CRSP Act authorize hydropower as an incident of the other purposes of the Colorado River Storage Project, direct the Secretary to construct, operate and maintain hydropower

facilities, and direct the Secretary to operate Glen Canyon Dam to produce the "greatest practicable amount of power and energy...." These provisions provide explicit direction regarding the <u>development</u> of water for hydropower purposes. Section 620f also addresses the <u>allocation</u> of water for and between hydropower and other purposes in a manner that both confirms that it does not affect the allocation of water between the Upper and Lower Basins and resolves and avoids any possible conflict between the use of water for hydropower purposes and the other uses of water. ³ Hydropower resources are therefore inextricably related to and explicitly included within the scope of § 1802(b) of the GCPA. ⁴ Plaintiff's assertion that "Reclamation considered a factor that Congress did not intend that the agency to consider" is simply wrong. Pl. Reply at 38.

Plaintiff also argues that "compliance with section 1802(a)'s mandate to protect Grand Canyon National Park resources does not interfere with Colorado

³ "... [N]either the impounding nor the use of water for the generation of power and energy at the plants of the Colorado River storage project shall preclude or impair the appropriation of water for domestic or agricultural purposes pursuant to applicable State law." 43 U.S.C. § 620f.

⁴ The United States has also explained in a prior brief other aspects of the inextricable relationship under the CRSP Act between hydropower and the allocation, appropriation, development and exportation of the waters of the Waters of the Colorado River Basin. *See* Federal Defendants' Memorandum In Opposition To Plaintiff's Motion For Summary Judgment On Claims 6-8 And In Support Of Federal Defendants' Cross Motion For Summary Judgment, Dkt. 136 at p. 37-38.

River water supply and storage." Pl. Reply at p. 39. Plaintiff has it both backwards and wrong. The implementation of § 1802(a) is subject to the requirements of § 1802(b), which incorporates and protects the hydropower-related provisions of the CRSP Act. The GCPA is subject to the CRSP Act, and not the reverse. In addition, the requirements of the CRSP Act are not limited to "Colorado River water supply and storage" because §§ 620 and 620f of the CRSP Act also contain explicit direction to the Secretary regarding hydropower production at Glen Canyon Dam.

Plaintiff asserts that "[r]egardless of the flow regime (MLFF or SASF), the same amount of water passes through the Dam and the same amount of hydropower is generated." Pl. Reply at p. 39. This statement misunderstands the applicable law and is wrong as a matter of fact. Congress directed the Secretary to produce the "greatest practical amount of power and energy." 43 U.S.C. § 620f (emphasis added). Hydropower includes both the amount of energy produced over

⁵ Congress considered, but ultimately rejected, a version of the GCPA that would have modified the authorized purposes of the Colorado River Storage Project. *See* U.S. Memorandum In Opposition, Dkt. 136 at p. 38, fn. 22. The colloquy between Senators McCain and Bradley cited by Plaintiffs is, in this context, "losers' history", as they clearly were unable to persuade the Senate to enact language that would have achieved their desired result. *See In re Matter of Sinclair*, 870 F.2d 1340, 1343 (7th Cir. 1989).

a period of time and the capacity to produce that energy at any point in time. A SASF regime would result in a reduction of the power available from Glen Canyon Dam, as the capacity would be less than what would be available under a MLFF regime. 2000 EA at p. 37, Dkt. 136 Exhibit 1. Stated another way, the implementation of a SASF regime would have the same affect as a physical reduction in the capacity of the generators at Glen Canyon Dam, and a reduction in capacity is a reduction in the amount of power (but not energy) that is produced from the generators. Plaintiff's attempt to argue that that the adoption of a SASF regime would not affect any resource protected by § 620f of the CRSP Act fails because a reduction in power implicates the Secretary's duty to operate Glen Canyon Dam to produce the "greatest practical amount of power and energy." 43 U.S.C. § 620f (emphasis added).

Finally, Plaintiff repeatedly mischaracterizes Reclamation's hydropower operations as an attempt to maximize "revenues". Pl. Reply at p. 4, 36, 38, 39. The Secretary has the obligation to operate Glen Canyon Dam "so as to produce the greatest practicable amount of power and energy that can be sold at firm power

⁶ A recent Western Area Power Administration Order includes helpful definitions of the relevant terms: "Power: Capacity and energy"; "Capacity: The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kW"; "Energy: Power produced or delivered over a period of time. It is expressed in kilowatthours." *See*, Western Area Power Administration, Rate Order No. WAPA-137, 73 Fed. Reg. 52,981 (Sept 12, 2008).

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and energy rates," which is not the same as maximizing revenues. 43 U.S.C. § 620f. Congress has directed that power produced by Glen Canyon Dam be sold at cost-based rates to non-profit entities and tribes. *See* 43 U.S.C. § 485h(c). There are no "profits" involved in the sale of this power from the United States to the non-profit entities and tribes, or in the sale of this power by the non-profit entities and tribes to their customers.

RESPECTFULLY SUBMITTED February 20, 2009.

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1	CERTIFIC	ATE OF SERVICE	
2			
3	I hereby certify that on February 20, 2009, I filed a true and exact copy of		
4	SUPPLEMENTAL REPLY with the Court's CM/ECF system, which will generate		
5	a Notice of Filing and Service on the following:		
6	a Notice of I filling and Service on the following.		
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