

U.S. HOUSE OF REPRESENTATIVES

NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

FOR IMMEDIATE RELEASE
Friday, September 16, 2011
[PERMALINK](#)

CONTACT: [Jill Strait](#), [Spencer Pederson](#) or [Crystal Feldman](#)
202-226-9019

Bill Introduced to Repeal Risky Stimulus Loans by WAPA

Would end billions of dollars at risk of failure and taxpayer bailout

WASHINGTON, D.C. – House Natural Resources Water and Power Subcommittee Chairman Tom McClintock recently introduced [H.R. 2915, the American Taxpayer and Western Area Power Administration Customer Protection Act of 2011](#). The legislation repeals the 2009 Stimulus Act's new \$3.25 billion Western Area Power Administration (WAPA) loan authority, including the taxpayer bailout provision for failed renewable energy transmission projects.

"Recent events make it clear that billions of dollars of taxpayer funds have been placed in jeopardy to support wind and solar companies that obviously lack the merit to attract private investments," said McClintock. "These dubious interests rely instead on political connections with government officials to access taxpayer funds. As they collapse, the taxpayers end up holding the bag. It is time to require every sector of the energy industry to raise its own capital through its own merit rather than to perpetuate the crony capitalism that is now running rampant through this government."

"The recent bankruptcy of Solyndra, a recipient of a \$535 million stimulus loan guarantee from the Department of Energy under the Stimulus Act, is a stunning and alarming example of why taxpayers should not be on the hook for billions of dollars of risky WAPA loan projects," said House Natural Resources Committee Chairman Doc Hastings. "Taxpayers should not be stuck footing the bill for expensive renewable energy transmission projects that turned out to be bad investments by the federal government. Repealing this WAPA provision will protect scarce taxpayer dollars and end several billion dollars of unspent Stimulus Act funds."

The 2009 Stimulus Act states that, *"If, at the end of the useful life of a project, there is a remaining balance owed to the Treasury under this section, the balance shall be forgiven."* During appearances before the Natural Resources Committee, the current WAPA Administrator could not guarantee that such a bailout would never occur. This is in stark contrast to the borrowing authority of the Bonneville Power Administration (BPA) and the Tennessee Valley Authority, which are both fully responsible for repaying their debt.

McClintock's bill would specifically repeal Section 301 of the *Hoover Power Plant Act of 1984*, which was amended by the Stimulus Act to suddenly create the new borrowing authority. It would not apply to any projects already approved before September 15, 2011.

###

<http://naturalresources.house.gov>
[Facebook](#) | [YouTube](#) | [Twitter](#)