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## **Hastings, McClintock Propose Bill to Repeal Taxpayer Bailout for Federal Agency's (WAPA) Failed Investments in Foreign & Domestic Energy Projects**

*Stimulus Law Put Taxpayers at Risk of Paying up to \$3.25 Billion*

**WASHINGTON, D.C.** - Today, House Natural Resources Committee Ranking Member Doc Hastings (WA-04), along with Water and Power Subcommittee Ranking Member Tom McClintock (CA-04), introduced *The American Taxpayer and Western Area Power Administration Firm Power Customer Protection Act* (H.R. 4027). This bill would eliminate the taxpayer bailout provision currently included in the "stimulus" statute that gave new borrowing authority to the Western Area Power Administration (WAPA). Under the statute, U.S. taxpayers are put on the hook for any loans that WAPA provides for renewable energy transmission projects that renewable energy developers are unable to repay.

*"This bill will make certain that the builders and beneficiaries of expensive transmission building projects fully bear the risks and costs of study and construction,"* said Ranking Member Hastings. *"Neither American taxpayers or existing WAPA customers who may have no involvement should be stuck with footing the bill for a failed project undertaken using this new \$3.25 billion WAPA borrowing authority. The current situation is similar to a homeowner defaulting on a 30-year loan and having the bank pick up the remaining balance, except that the taxpayer would end up paying for this federal agency's (WAPA) bad investment."*

*"A nation that is \$12 trillion in debt has better things to do with its money than to squander it bailing out foreign corporations and failed investments,"* said McClintock. *"Like most Americans, I support any and every energy project with just two conditions – don't ask us to subsidize it and don't force us to buy it."*

### **BACKGROUND**

- A provision added to the so-called stimulus bill created the new borrowing authority that allows WAPA to borrow up to \$3.25 billion to develop new transmission lines aimed solely at integrating renewable energies.
- Unfortunately, the provision also contained a clause that leaves American taxpayers footing the bill if any of the renewable energy projects were to fail. The stimulus statute 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.”*

- Unlike WAPA’s new borrowing authority, the Bonneville Power Administration (BPA) fully repays its debts and does not have a similar taxpayer bailout provision. The Tennessee Valley Authority (TVA) also is fully responsible for repaying its debt.
- To date, WAPA has announced one project under its borrowing authority: a wind transmission project owned by a Canadian company. **Under the bailout provision, if this project failed, then American taxpayers would have to bail out a foreign company for up to \$161 million.**
- The bill introduced today amends the WAPA borrowing authority to 1) eliminate the taxpayer bailout provisions, and 2) add protections for existing WAPA customers to prevent them from being forced to pay for projects they may not ask for, or benefit from.

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