



[New bill aims to protect Western ratepayers from transmission costs](#)

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Customers in the West would not have to pay for failed transmission projects under a bill introduced yesterday by the ranking member of the House Natural Resources Committee.

Rep. Doc Hastings (R-Wash.) and Rep. Tom McClintock (R-Calif.), ranking member of the Water and Power Subcommittee, said [H.R. 4027](#) would provide additional protection for consumers from transmission projects funded by the \$3.25 billion Western Area Power Administration, or WAPA, borrowing authority authorized under the economic stimulus act. Customers would also not pay for any transmission lines that they did not benefit from or ask for under the bill.

"The bill is a reaffirmation of the 'beneficiaries pay' policy that should be remembered," Hastings said at a joint House Natural Resources Committee hearing yesterday.

WAPA and the Bonneville Power Administration each received \$3.25 billion from the economic stimulus package to build and strengthen their transmission systems, with an emphasis on funding projects that accessed renewable energy generation. The borrowing authority is new for WAPA, whereas BPA already has had borrowing authority for some time. BPA covers Oregon, Washington and Idaho and WAPA includes the rest of the states west of the Mississippi except for parts of Oklahoma, Kansas and Texas.

DOE announced in September \$161 million in WAPA borrowing authority would go toward the 214-mile Montana-Alberta Tie Ltd. transmission project that would bring 300 to 600 megawatts of electricity from Montana wind power to Canada. Almost two-thirds of the line will be in the United States (*E&ENews PM*, Sept. 16).

Timothy Meeks, WAPA's administrator, told members at a hearing in March that there would be a "wall" between customers that benefit and those that do not (*E&E Daily*, March 11).

But Hastings said he is still concerned about WAPA's lack of limitations. "This taxpayer bailout is highly inappropriate and objectionable, especially because BPA and [Tennessee Valley Authority] ratepayers and beneficiaries repay every debt with interest," he said.

Cost vs. benefit

The question of who benefits from a new transmission line is not new and the subject only appears to be getting more contentious as the House and Senate move closer to passing

energy and climate bills.

More than 60 utilities, transmission companies and renewable energy companies protested against a provision in the Senate energy bill this week that expresses a similar "beneficiaries pay" provision in its transmission title. The amendment, approved with a 13-9 vote, was pushed by Sen. Bob Corker (R-Tenn.) during markup of the bill last spring (*E&ENews PM*, May 13).

The groups wrote in a letter to Senate Majority Leader Harry Reid (D-Nev.) that the provision mandates the Federal Energy Regulatory Commission prove that any costs it adds to ratepayers for new transmission result in measurable benefits. The requirement will result in an inefficient process and prolonged litigation, or even make it impossible for FERC to meet the requirements "which will have the effect of making it impossible to build needed new high voltage transmission facilities that provide broad regional benefits," the letter said.

"As Congress is contemplating making more demands on the grid to meet new energy and environmental objectives, new transmission investment will be needed and this language runs counter to that objective," the letter said.

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