U.S. HOUSE OF REPRESENTATIVES NATURAL RESOURCES COMMITTEE CHAIRMAN DOC HASTINGS

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166 Congressmen and Senators Send Bipartisan Letter to Secretary Chu Expressing Concern Over PMA Rate Increases

WASHINGTON, D.C. – Spearheaded by Natural Resources Committee Member Rep. Paul Gosar (AZ-01), as well as Rep. Jim Matheson (UT-02) and Sens. Orrin Hatch (R-UT) and Tim Johnson (D-SD), <u>166 Congressmen and Senators</u> recently sent a bipartisan, bicameral <u>letter</u> to Department of Energy Secretary Steven Chu expressing concerns over his <u>memorandum</u> to the Power Marketing Administrations (PMAs). The memorandum could considerably alter each agency's primary missions of providing clean, affordable electricity to ratepayers and raise electricity costs on millions of American families. Click here to read the entire letter. The bipartisan and bicameral letter follows a <u>letter</u> sent by 19 Members of the Pacific Northwest Delegation.

"These bipartisan letters and related hearings should send a strong message: there is widespread concern over the need for these unprecedented directives and many unanswered questions from across the country and across the aisle," said House Natural Resources Committee Doc Hastings (WA-04). "What we need is more transparency. I commend Dr. Gosar and the other lead signers for spearheading this important letter."

"Secretary Chu's proposals are yet another example of the great executive overreach of the Obama administration. This plan deviates from the federal power agencies' mission, adds new layers of bureaucracy, and will adversely affect regional electric reliability. Bottom line: these proposals will damage Arizona farms and rural economies, impeding the already struggling economic recovery," said Congressman Paul Gosar (R-AZ). "While I support the expansion of transmission lines, the development of renewable energy, and increased energy efficiency, I do not believe it should be mandated by Washington bureaucrats and billed to rural Americans."

In the letter, the Congressmen and Senators note: "We have heard from numerous public power utilities, rural electric cooperatives and local officials in our states who are troubled by the potential cost impacts of these directives and by a perceived expansion of the role of the PMAs beyond their current statutory authority. These proposals also constitute a fundamental shift away from regional planning, and the understanding of local needs and impacts which comes with it, towards a Washington, D.C.-based, top-down approach. The PMAs have responsibly marketed federally generated hydropower for decades to approximately 1,100 electric utilities in 34 states, providing this clean electricity to more than

40 million Americans. Changes to this model should not be made without due consideration of the concerns of impacted stakeholders. The federal power program is integral to keeping electricity rates affordable and reliable for the customers of community-owned and consumer-owned utilities across the states we represent."

Background:

- On March 16, 2012, Department of Energy Secretary Steven Chu sent a <u>memorandum</u> to the Bonneville Power Administration (BPA) and all other Power Marketing Administrations (PMAs) that includes directives that could increase the cost of energy for millions of American families and small businesses.
- On April 26, 2012 the House Natural Resources Committee held an <u>oversight</u> <u>hearing</u> on "Increased Electricity Costs for American Families and Small Businesses: The Potential Impacts of the Chu Memorandum". Secretary Chu declined Chairman Hastings <u>invitation</u> to testify. At the hearing, consumer-owned utility representatives testified how the memo would directly impact millions of Americans who rely on affordable energy from PMAs.
- The House Water and Power Subcommittee held a <u>field hearing</u> in Phoenix, Arizona, where witnesses testified about concerns over the memorandum.

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