



Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

FOR IMMEDIATE RELEASE
Wednesday, June 26, 2013
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Witnesses Underscore the Importance of Reliable, Affordable Electricity

WASHINGTON, D.C. – Today, the House Natural Resources Subcommittee on Water and Power held an oversight hearing on “*The Power Marketing Administrations: A Ratepayer Perspective.*” For years, millions of electricity consumers have received low-cost hydropower generated at federal dams and reservoirs, but despite this longstanding policy and partnership, recent Administration directives could raise electricity rates for millions of Americans and unnecessarily undermine regional economies and jobs.

For example, the Department of Energy continues to implement the “Chu Memorandum,” which mandates new missions for the Power Marketing Administrations (PMAs) and could raise energy costs on over 40 million Americans.

“Families and businesses have paid for this resource with interest under the longstanding ‘beneficiaries pay’ principle. The premise of this doctrine is that those who benefit must pay for their commensurate cost,” said Subcommittee Chairman Tom McClintock (CA-04). “That doctrine is being radically transformed under this Administration that seems intent on imposing costly mandates, regulations, fees and litigation that are making the monthly arrival of the family utility bill a growing financial nightmare. “

“As witnessed by the actions of the Department of Energy over the last two years, the Power Marketing Administrations – particularly the Western Area Power Administration (WAPA) -- are ripe for continued oversight. While ratepayers typically recover all of the costs of these agencies, Congress must do its part to ensure that their electricity rates remain fair and at the lowest cost possible within sound business principles,” said Committee Chairman Doc Hastings (WA-04).

At the hearing, witnesses testified before the Subcommittee in support of the Power Marketing Administrations mission and discussed the job and economic impacts of the Obama Administration directives.

[Ted Coombes](#), Executive Director of Southwestern Power Resources Association, spoke to the benefits of the Power Administration system. Coombes said, “*Unlike most federal programs, the federal Power Marketing Administrations (PMAs) pay their own way. Every dollar spent on the federal power program is returned to the Treasury. This includes the*

construction, operation and maintenance and transmission costs incurred in generating and marketing the hydroelectric energy and capacity incurred by both the generating agency and the PMA, plus interest on capital costs.”

[Scott Corwin](#), Executive Director, Public Power Council, Portland, Oregon, discussed the challenges of new federal regulations. Noting *“Most of the new missions suggested would diverge from the ‘beneficiary pays’ ethic. And, there is no more critical or noble mission than providing, at cost, the reliable electricity that drives every aspect of modern life in the home, in the hospital, on the farm, or in the server farm.”*

[Joel Bladow](#), Senior Vice President, Transmission, Tri-State Generation and Transmission Association, Inc, spoke about the importance of hydropower to keep electricity prices affordable. Bladow said, *“Our most important source of renewable generation is still the emission-free, reliable, dispatchable hydropower generated at the federal multi-purpose projects of the U.S. Army Corps of Engineers and Bureau of Reclamation and marketed by WAPA. Hydropower purchased from WAPA accounts for approximately 12% of our generation needs. It is integrally important to keeping the at-cost power that we provide to our member-systems at an affordable rate while also playing a role in maintaining the overall reliability of the bulk electric power system.”*

[Barry Tippin](#), Electric Utility Director, Redding Electric Utility, underscored the importance of affordable and renewable energy to small western communities such as Redding, California. Tippin said, *“Redding’s long-standing interconnection and contractual rights to WAPA’s system is a vital component in Redding’s ability to provide cost-effective and reliable service to its customers. Redding’s collaboration with WAPA is essential and necessary for meeting California’s renewable energy and carbon standards as well as the challenges of the future. Redding is more than simply a WAPA customer, we are partners.”*

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