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Opening Statement of
Chairman Doc Hastings
At the Full Committee Oversight Hearing on
“Increased Electricity Costs for American Families and Small Businesses:
The Potential Impacts of the Chu Memorandum”
Thursday, April 26, 2012

Today’s hearing is about protecting millions of electricity consumers from potentially expensive Washington, D.C. mandates put together under the cover of darkness and without any input from those most impacted.

This hearing will not only allow for those inputs to be heard, but follows up on a bipartisan Pacific Northwest congressional delegation letter that asked legitimate questions about the Energy Secretary’s March 16 Memorandum. The Memorandum that directs substantial changes to the Power Marketing Administrations (PMAs).

The core mission of the Bonneville Power Administration in the Pacific Northwest and the other three PMAs, is to provide low-cost, renewable hydropower to millions of families and small businesses. And to do so with sound business principles. This mission has worked well for generations and nothing seems to be broken, yet the Energy Secretary has chosen to rope the PMAs into a larger ideological agenda. An agenda I believe will raise energy costs during these troubling economic times.

Americans are already struggling to fill up their tanks due to the rising price of gasoline, and the last thing they need is to pay more every time they flip on the light switch.

While some of the Memorandum’s goals are laudable, the memo raises serious concerns about the manner and scope of how it would dramatically change the PMAs’ mission.

For example, the Memorandum suggests that PMA missions and rates should be changed to incentivize electric vehicle deployment, something normally handled at the local and retail levels. Family farmers in my rural district should not be forced to pay higher electricity bills so people in downtown Seattle can plug in expensive electric vehicles just because Secretary Chu says so.

This and other matters in the memo raise legitimate questions as to whether the PMAs even have the legal authority to implement these directives. Yet, the Energy Department has bluntly refused to perform a legal analysis of what authorities it has or doesn’t have. This continues the impression that unjustified executive orders are a common practice for the Obama Administration.

Many PMA customers – from those in big cities to those served by rural electric cooperatives, from the Pacific Northwest to the Southeast, believe that these directives will increase their costs while providing little or no benefits to them.

The Governor of South Dakota recently wrote a letter to the Secretary stating that “the Department’s orders would essentially dismantle the federal hydropower system as it exists today and jeopardize the cost-based structure which has been the cornerstone of affordable electricity in South Dakota markets.”

The concerns bridge political parties. As I referenced earlier, two weeks ago, 19 bipartisan members from the Pacific Northwest Congressional delegation wrote to Secretary Chu asking that no actions be taken on these directives until the Department proves it has worked in a robust and transparent process with Congress and ratepayers.

And yesterday, we were proud to work with our colleagues Denny Rehberg from Montana and Norm Dicks from Washington State, who led the effort in the House Appropriations Committee to approve an amendment to suspend the memorandum’s new activities.

Secretary Chu issued this Memorandum – it is in his name - which is why he was personally invited to testify today about its potential to drive up electricity costs. It’s unfortunate that he is in Europe and has declined to testify and answer questions. While Secretary Chu’s personal electric bill may not increase as a result of his memo, those testifying to us today will explain firsthand how theirs will. Their expert opinions should have been sought out prior to the memo’s issuance to help avoid this unfortunate situation. We welcome their testimony.

The electric bills of families and small businesses that depend on power from PMA’s should not be increased because the federal Energy Secretary would like to toy and experiment with various energy schemes and mandates.

Americans wallets are already being stretched thin as they struggle to make ends meet in this difficult economy. The last thing they need is another hastily written, and unjustified Washington, DC-knows-best mandate that inflicts further economic pain and increases their power bills. The American people deserve answers and transparency from their government. They also deserve the right to know why their energy costs are increasing. This hearing is designed to help provide those answers.