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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Opening Statement
The Honorable Doc Hastings
Chairman

House Natural Resources Committee
Water and Power Subcommittee Oversight Hearing on
"Examining the Spending, Priorities and the Missions of the Bonneville Power
Administration, the Western Area Power Administration, the Southwestern Power
Administration and the Southeastern Power Administration"
March 15, 2011

I'm pleased to be here today, especially since the agencies under the Water and Power Subcommittee have a profound and direct impact on constituents in my central Washington district. Two of the largest federal irrigation projects in the West and the Grand Coulee Dam, the flagship of the Federal Columbia River Power System, are in my district. Together, they serve as the heart of central Washington's economy and way of life.

Today's hearing on the Power Marketing Administrations is an important endeavor since Congress has a duty to conduct oversight on these agencies. While ratepayers typically recover all of the costs of these agencies, Congress should focus on what federal matters impact electricity rates to assess whether the rates are fair and the lowest cost possible.

For example, at least 30% of the rates of those served by the Bonneville Power Administration are related to endangered fish costs that have been subject to almost a decade of litigation. Despite these expenditures and the fact that fish returns are at high levels, some still seek to remove four dams on the Lower Snake River in the name of salmon protection. Removal would do very little to help the salmon, drive up energy costs and destroy jobs, increase the carbon footprint of the region and eliminate a major backup source for wind integration. Snake River dam removal will not happen on my watch.

I mentioned wind integration because we will hear later today from Bonneville's Administrator, Steve Wright, about how wind integration presents a lot of challenges for the region. When much of the wind resource is destined for California, we need to ensure that our ratepayers in the Pacific Northwest are not negatively impacted and that our endangered fish recovery efforts are not compromised by wind exports. If the beneficiaries are Californians, then those beneficiaries should pay.

I also want to make sure that the Western Area Power Administration adheres to the "beneficiaries pays" principle as it implements its new borrowing authority. This new authority became law without any congressional hearings or markups. Oversight is clearly needed. I'm

told that some of the agency's core customers are very concerned that this new mission could negatively impact them and that there hasn't been adequate transparency to resolve their concerns on recently proposed transmission lines. As we all know, there is a potential taxpayer bailout in this new authority as well.

In conclusion, I appreciate being here for this important hearing and I look forward to working with Subcommittee Chairman McClintock and Ranking Member Napolitano – both from California – on these and other issues in the next two years.