

FOR IMMEDIATE RELEASE  
Wednesday, April 25, 2012  
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## Committee Hears How Sec. Chu's Washington, D.C. Directives Could Raise Electricity Rates and Override Regional Energy Successes

WASHINGTON, D.C. – Today, the House Natural Resources Committee heard at [an oversight hearing](#) that Energy Secretary Steven Chu's Memorandum to the Power Marketing Administrations (PMAs) could increase energy costs dramatically. This hearing follows up on a bipartisan Pacific Northwest Congressional delegation [letter](#) that raised serious questions about Secretary Chu's Memo.

*"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. 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. 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," [said Natural Resources Committee Chairman Doc Hastings](#). "The electric bills of families and small businesses that depend on power from PMAs should not be increased because the federal Energy Secretary would like to toy and experiment with various energy schemes and mandates. 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."*

While Secretary Chu declined Chairman Hastings' invitation to testify at today's hearing, consumer-owned utility representatives and interested parties welcomed the opportunity to provide input and feedback as to how the Memo would directly impact millions of Americans who rely on affordable electricity from PMAs.

[Glenn English](#), CEO of the National Rural Electric Cooperative Association, and former Democrat Congressman from Oklahoma, testified that the Chu memorandum views PMAs as a "cash cow" to pay for directives that will not benefit PMA consumers and that the memo was "out of whack" with existing policy. English also made the case that more public input was needed, "Changes to existing policy and direction should be made only after a full and open public process with opportunities for the PMA customers to provide input." He added that, "If changes are made that increase the costs of PMA-marketed electricity, it stands to reason that customers' cost-based rates would also increase."

[Mark Crisson](#), President and CEO of the American Public Power Association, said that he was very concerned about the impacts to public power customers and that, "If

*implemented, this memo will increase electricity costs for public power utilities and their customers that depend on power provided by the PMAs with little if any, associated benefits.”* Later, in testimony, Crission found irony in Secretary Chu’s memo, *“For an Administration that prides itself on an ‘all of the above’ energy strategy, Secretary Chu’s clear preference for enhancements to unreliable wind and solar power – at the expense of hydropower and paid for by hydropower customers – is contradictory.”*

[Joel Bladow](#), Senior Vice President of Transmission at Tri-State G&T based out of Colorado was very concerned that the, *“Chu memorandum will add costs to our consumers’ electricity bill, not reduce them.”* Further, Bladow said he was even more troubled that his consumers *“would be required to help pay the costs for other utilities’ renewable integration costs.”* Bladow also raised concerns about electricity grid reliability being impacted by using PMA’s as test beds, *“These actions not only take away from its mission of providing cost-based federal power to its customers, but could affect WAPA’s commitment to reliability and undoubtedly, raise customer rates in order to pay for the experiments.”*

[Scott Corwin](#), Executive Director of the Public Power Council, spoke about the unique regional aspects of PMAs, *“We have found that directives from outside the region rarely work as well as solutions crafted by regional parties with knowledge of the unique nature of each power system.”* and that Secretary Chu’s memo, *“seems in part to be a solution in search of a problem, and is a threat of top-down approaches and more involvement from Washington, D.C.”* Corwin told the Committee that the, *“Direction to pursue policy objectives that would impose costs on BPA ratepayers without offsetting benefits is a dangerous threat to the region.”*

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