

**Testimony of Administrator Mike Wech**  
**Southwestern Power Administration**  
**U.S. Department of Energy**  
**Before the**  
**Subcommittee on Water, Wildlife and Fisheries,**  
**Committee on Natural Resources**  
**U.S. House of Representatives**  
**November 14, 2023**

Chairman Bentz, Vice Chair Kiggans, Ranking Member Huffman, and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to represent Southwestern Power Administration (Southwestern) and the Department of Energy (DOE) regarding legislation to establish the “Southwestern Power Administration Fund,” currently under consideration as H.R. 4219 by your Subcommittee. The Administration has not taken a position on this bill.

Southwestern is a Power Marketing Administration that serves over ten million end-use customers in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas. As a Federal utility, we have a statutory mission to market and deliver electricity from 24 Federal hydroelectric generating plants operated by the U.S. Army Corps of Engineers.

This year – 2023 – marks 80 years of service for Southwestern. We now have eight decades of experience providing cost-based, clean, and renewable energy to our customers. This hydropower helps keep the farms, factories, and homes powered by Southwestern’s customers running smoothly.

Southwestern also provides voltage support and grid stability during times of high electrical demand and weather-related outages. Hydroelectric projects have the ability to ramp up or down very quickly and respond to rapidly changing conditions, and Southwestern has a well-established history of responding to energy emergencies to help keep the lights on.

While we take considerable pride in providing a clean and cost-based product to our customers and providing reliable support to the region, we periodically need to purchase replacement power to meet all of the contractual obligations Southwestern has entered into. In some cases, due to drought conditions, downstream flooding, operational restrictions, or other contributing factors, Southwestern’s contractual obligations to provide power exceed the amount of hydropower that is available. Southwestern continually balances Federal hydropower needs against the needs of other water users and current market conditions when determining whether to purchase power to meet contractual obligations.

H.R. 4219 authorizes the Southwestern Power Administration Fund, a permanent, self-financed revolving fund supplied through Southwestern’s power sales receipts. All receipts, collections,

and recoveries, including balances, transfers, and appropriations would be deposited into this fund. These funds would be available for operation and maintenance of power transmission facilities, marketing electric power and energy, construction and acquisition of transmission lines, substations, and appurtenant facilities, and administrative expenses of the Secretary in carrying out section 5 of the Flood Control Act of 1944 and Section 1232 of the Energy Policy Act of 2005. HR 4219 would authorize the Secretary to incur obligations for these authorized purposes in advance of appropriations to be liquidated by the Fund.

The Administration is continuing to review this bill and does not have a position at this time. However, we do note that HR 4219 would likely have a budgetary score.

Mr. Chairman, this concludes my testimony. I would be pleased to address any questions that you or the Members of the Subcommittee may have.