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HOUSE JOINT MEMORIAL 4004

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State of Washington

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2001 Regular Session

By Representatives Poulsen, DeBolt, Berkey, Casada, Wood, Anderson, Cooper, Esser, Ruderman, Delvin, Linville, Keiser, Ogden, Conway and Simpson

Read first time 02/02/2001. Referred to Committee on Technology, Telecommunications & Energy.

1 TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,  
2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE  
4 UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE HONORABLE SPENCER  
5 ABRAHAM, SECRETARY OF THE UNITED STATES DEPARTMENT OF ENERGY, AND TO  
6 THE MEMBERS OF THE FEDERAL ENERGY REGULATORY COMMISSION:

7 We, your Memorialists, the Senate and House of Representatives of  
8 the State of Washington, in legislative session assembled, respectfully  
9 represent and petition as follows:

10 WHEREAS, Wholesale prices of electricity have soared to  
11 unprecedented levels, reaching as high as thirty times the prices of a  
12 year ago; and

13 WHEREAS, Many of the state's largest businesses purchase power at  
14 rates tied to wholesale price indices, and many of these businesses  
15 have been forced to curtail operations and lay off hundreds of workers  
16 due to high energy costs; and

17 WHEREAS, These wholesale price increases have led to significantly  
18 higher retail power costs for business, farm, and residential  
19 consumers, including rate increases of thirty-five percent in Snohomish  
20 County, eighteen percent in Seattle, and up to seventy-five percent in  
21 Tacoma, with many utilities considering further rate increases; and

1       WHEREAS, High wholesale energy prices are threatening the very  
2 solvency of some Northwest utilities that must purchase electricity on  
3 the wholesale market; and

4       WHEREAS, Taxpayer-supported public entities such as universities,  
5 colleges, and local governments now face unanticipated costs for  
6 energy, some of which are considering scaling programs down to meet  
7 these costs; and

8       WHEREAS, The wholesale power market is a matter of federal, not  
9 state, jurisdiction; and

10       WHEREAS, Actions taken to date by the federal Department of Energy  
11 and the Federal Energy Regulatory Commission to address problems in the  
12 wholesale market have not resulted in any meaningful reduction in  
13 wholesale power prices; and

14       WHEREAS, On December 14, 2000, and January 11, 2001, the United  
15 States Secretary of Energy issued orders requiring certain energy  
16 entities to generate, deliver, interchange, and transmit electric  
17 energy when requested by the California Independent System Operator.  
18 These orders have been extended on repeated additional occasions.  
19 Several of the companies that received the energy from these entities  
20 are in an unstable financial condition, and there are serious questions  
21 about their ability to meet their obligations to pay for this  
22 electricity; and

23       WHEREAS, Without strong and immediate action by the federal  
24 government to lower wholesale power prices, Washington and other  
25 western states could suffer long-term and irreversible economic harm;

26       NOW, THEREFORE, Your Memorialists respectfully pray that the  
27 President of the United States, the Department of Energy, and the  
28 Federal Energy Regulatory Commission take strong short-term measures to  
29 reduce wholesale costs throughout the western United States. Your  
30 Memorialists also respectfully pray that Congress assure that the  
31 northwest utilities that sent power to the State of California under  
32 federal mandates will be fully compensated, for the electricity they  
33 sent in response to the orders, through federal guarantees or  
34 guarantees through the State of California.

35       BE IT FURTHER RESOLVED, That the new administration act immediately  
36 to develop and implement a long-term strategy to reform the wholesale  
37 energy market to avoid continued price spikes that threaten to  
38 undermine the prosperity of the western United States; and

1 BE IT FURTHER RESOLVED, That the new administration commit to  
2 provide necessary assistance to low-income citizens who are most at  
3 risk from volatile energy prices; and

4 BE IT FURTHER RESOLVED, That copies of this Memorial be immediately  
5 transmitted to the Honorable George W. Bush, President of the United  
6 States, the Honorable Spencer Abraham, the Secretary of the United  
7 States Department of Energy, the Members of the Federal Energy  
8 Regulatory Commission, the President of the United States Senate, the  
9 Speaker of the House of Representatives, and each member of Congress  
10 from the State of Washington.

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