
ENGROSSED SENATE JOINT MEMORIAL 8012

State of Washington

57th Legislature

2001 Regular Session

By Senators Fraser, Morton, Regala, McDonald, Honeyford, Patterson, Rasmussen, Hale, Winsley, Oke and Kohl-Welles

Read first time 02/05/2001. Referred to Committee on Environment, Energy & Water.

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 the new administration commit to
5 allowing Western states to work out the energy supply needs of the
6 region through existing working relationships, and that no additional
7 orders instructing all surplus power be sold to California be made; and

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

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