

FINAL BILL REPORT

SSJM 8018

As Passed Legislature

Brief Description: Requesting that the proposal to transition the Bonneville Power Administration from cost-based rates to market-based rates and to increase the types of transactions that count against the Bonneville Power Administration's debt limit be rejected.

Sponsors: Senate Committee on Water, Energy & Environment (originally sponsored by Senators Fraser, Parlette, Poulsen, Hewitt, Berkey, Zarelli, Prentice, Doumit, Rockefeller, Fairley, Rasmussen, Kohl-Welles, Schoesler, Brandland, Schmidt, Shin, Pridemore, Mulliken, Honeyford, Brown, Kline and Regala).

Senate Committee on Water, Energy & Environment
House Committee on Technology, Energy & Communications

Background: Created in 1937, Bonneville Power Administration (BPA) is a federal agency headquartered in Portland, Oregon. BPA serves the Pacific Northwest by operating an extensive electricity transmission system. It also markets wholesale electrical power at cost from federal dams, one non-federal nuclear plant, and other non-federal hydroelectric and wind energy generation facilities.

While BPA is part of the Department of Energy, it is not tax-supported. Rather, BPA recovers all of its costs through the sales of electricity and transmission and repays the U.S. Treasury in full with interest for any money it borrows.

The current U.S. presidential administration has issued a budget proposal to have BPA transition from cost-based rates to market-based rates. The proposal also seeks to increase the types of transactions that would count against BPA's borrowing authority debt limit. Washington State's entire congressional delegation opposes this proposal.

Summary: The President of the United States, Congress, and the Secretary of the U.S. Department of Energy are petitioned to reject the administration's proposal to: (1) transition BPA from cost-based rates to market-based rates and (2) increase the types of transactions that would count against BPA's borrowing authority debt limit.

Among other things, the joint memorial notes the following:

- BPA supplies 70 percent of the electrical power consumed in the State of Washington;
- wholesale power rates in the Pacific Northwest have increased nearly 50 percent since 2001-2002; and
- the budget proposal would cost the Northwest region \$480 million next year and \$2.5 billion over three years.

Votes on Final Passage:

Senate	45	0
House	96	1