
SUBSTITUTE HOUSE JOINT MEMORIAL 4018

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Sells, Kenney, Dunshee, Haler, Ormsby, Nixon, Linville, Fromhold, Hinkle, Roberts, Flannigan, McCoy, Holmquist, Appleton, Dunn, Morrell, Ericks, Green, Hasegawa, Williams, Blake, Upthegrove, Conway, Chase, Darneille, Takko, Haigh, Skinner, Hankins and Santos)

READ FIRST TIME 03/04/05.

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 SECRETARY OF ENERGY
5 DR. SAMUEL BODMAN:

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

9 WHEREAS, The State of Washington's economy is constructed on
10 affordable and reliable electricity; and

11 WHEREAS, About half of the electricity consumed in the State of
12 Washington is produced by the Bonneville Power Administration (BPA),
13 which today is sold at cost, rather than at market-based rates; and

14 WHEREAS, This low-cost power has been a cornerstone of the
15 northwest economy, stimulating growth and new jobs; and

16 WHEREAS, Many industries moved to Washington to take advantage of
17 low-cost hydroelectric power. They are now paying more for power in
18 Washington than in most of their other locations in the nation; and

19 WHEREAS, Without affordable energy for these industries (aluminum,

1 pulp and paper, aerospace, agriculture, etc.), thousands of family-wage
2 jobs will be lost; and

3 WHEREAS, Many of these jobs are in rural and economically
4 challenged areas. These industries are at the core of many northwest
5 communities and provide the foundation for numerous secondary
6 employment opportunities and also provide substantial tax revenues; and

7 WHEREAS, Bonneville power is not tax supported through government
8 appropriations, but rather recovers all of its costs through the sales
9 of electricity and transmission and repays the United States Treasury
10 in full with interest for any money it borrows; and

11 WHEREAS, Northwest ratepayers, not taxpayers, continue to repay the
12 United States Treasury for the federal government's investment in the
13 Federal Columbia River Power System; and

14 WHEREAS, The principal on all BPA capital-borrowing costs is fully
15 repaid to the United States Treasury, with legally required, market-
16 based interest; and

17 WHEREAS, The President's budget proposes to fundamentally alter
18 BPA's traditional cost-based rate structure, and increase the
19 northwest's power rates until they are equivalent with market rates
20 throughout the country; and

21 WHEREAS, Even the administration's most conservative estimates
22 suggest this would raise energy rates by \$100 a year for northwest
23 consumers; and

24 WHEREAS, The Office of Management and Budget has said that market-
25 based rates could force wholesale electricity rates to double over the
26 next four years; and

27 WHEREAS, The President's budget proposes to restrict BPA's ability
28 to invest capital, which will lead to underinvestment in the
29 transmission grid, resulting in electricity shortages that produce
30 price volatility and decreased reliability; and

31 WHEREAS, Enron has engaged in fraudulent activities dating back to
32 1997, which garnered them illegal profits of approximately \$1.8 billion
33 through unfair market manipulation; and

34 WHEREAS, The State of Washington has lost \$1.5 billion due to the
35 2001 energy crisis that was exacerbated if not instigated by Enron's
36 unfair market manipulation; and

37 WHEREAS, The nation is slowly recovering from a severe recession

1 and the Pacific Northwest -- the hardest hit region in the country --
2 is experiencing an even slower recovery; and

3 WHEREAS, Any increase in BPA rates will only slow or prevent
4 economic recovery as well as exacerbate the state's budget crisis; and

5 WHEREAS, This region simply cannot support an additional two and a
6 half billion dollar hit to its economy over the next five years;

7 NOW, THEREFORE, Your Memorialists respectfully pray that President
8 Bush abandon his proposal to increase the northwest's electricity rates
9 until they are equivalent with market rates throughout the country, and
10 that Congress refuse to approve this shift to market rates that would
11 so harm the Pacific Northwest. Your Memorialists further pray that
12 President Bush abandon his proposal to change the borrowing structure
13 of the Bonneville Power Administration, and that Congress refuse to
14 approve this change.

15 BE IT RESOLVED, That copies of this Memorial be immediately
16 transmitted to the Honorable George W. Bush, President of the United
17 States, Dr. Samuel Bodman, Secretary of the United States Department of
18 Energy, the President of the United States Senate, the Speaker of the
19 House of Representatives, and each member of Congress from the State of
20 Washington.

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