

THE NORTHWEST REGIONAL  
POWER BILL AND THE NEED  
FOR PUBLIC PARTICIPATION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 11, 1980*

• Mr. BONKER. Mr. Speaker, this week, the Subcommittee on Energy and Power of the House Interstate and Foreign Commerce Committee begins markup on what is called the Northwest regional power bill.

I support this legislation. It is vitally important that we bring a legislative solution to the problem of allocating an increasingly scarce supply of energy in the Northwest. Without the bill, power will be allocated by the courts, and we in the Puget Sound area know from our experience with salmon how unsatisfactory judicial allocation can be.

The key provision in this legislation is section 4, which provides for a regional council to make energy decisions. The House version of the bill contains a meaningful plan for public participation. I draw the attention of my colleagues to the following position paper, recently sent to my district, on why the House version of section 4 must be retained:

THE REGIONAL POWER BILL AND THE NEED FOR  
PUBLIC PARTICIPATION

The House of Representatives is now in the process of considering the Northwest Regional Power bill—what has been called the most important piece of legislation to affect the Northwest in the past 40 years.

Not only is it one of the most important bills Congress will consider, it is also one of the most complex.

It is vitally important that the average citizen understand what is at stake in this legislation. The decisions to be made about

he bill will affect every electrical user and taxpayer for generations.

#### A BIT OF HISTORY

When Franklin D. Roosevelt ordered the building of the Grand Coulee and Bonneville dams in 1933, critics charged that these massive hydroelectric projects would generate more energy than the Northwest could ever use. Now, less than 50 years later, every kilowatt of power from the dams is being used, and the region is crying for more.

There are many reasons why we have entered an age of impending energy scarcity—a too-heavy reliance on foreign oil, rapid growth in the Northwest, a lack of serious commitment to conservation. In addition, the region is home for 10 plants belonging to six huge aluminum companies. These plants use one-fifth of all the region's electricity and one-third of the electricity from the Federal dam system.

One response to the shortage has been that Washington State has crossed the "thermal threshold." Today, more than three-quarters of the region's electricity still comes from the turbines at about 150 dams. But according to some scenarios, half the region's electrical energy will have to come from nuclear or coal plants by the mid-to-late 1980's.

The state's utilities are currently constructing some seven nuclear plants, which will be called upon to help boost the electrical load of the region from an average 17,000 megawatts today to more than 24,000 megawatts by 1990.

This increasing reliance on nuclear and coal will have the inevitable effect of boosting rates. In 1979, the cost of 500 kilowatts of electricity was \$9.45 in Seattle—compared with \$42.85 for metropolitan New York. Rates, however, are rising as the bills for the new systems come in.

The Northwest's industries, homeowners and farmers all want the low-cost electricity from Federal dams, which recently wholesaled at less than a penny a kilowatt hour. In contrast, electricity from new nuclear plants could wholesale for as much as 30 cents a kilowatt hour.

#### THE PREFERENCE CLAUSE

The region's access to low-cost Federal power is limited by the legislation by which the Bonneville Power Administration (BPA) was established in 1937. It contains the "preference clause"—only public power districts are entitled to all the Federal power they want.

In the past, the BPA could sell surplus electricity to non-public customers, private utilities, for example, or Direct Service Industries (DSIs). In the 1960's, for example, BPA signed 20-year contracts with the aluminum companies.

That surplus has vanished. In 1976, EPA was forced to advise the aluminum companies that it could not renew their contracts in the 1980's. It also told the public utilities that there would not even be enough energy to serve all their requirements after 1983.

In 1977, BPA still sold 30 percent of its total output to the aluminum companies, 10 percent to the private utilities, and 18 percent to California and other distant customers. All this power going to private utilities and out-of-state customers is subject to interruption. This means that those customers get it only when there is enough water in the Columbia River to run the turbines to capacity. In low-water years, such as the Northwest has experienced recently, this power is cut off.

In addition, BPA's 1976 announcement has jeopardized the aluminum maker's access to a secure source of inexpensive power. It also has posed the threat of a ratepayer revolt among the customers of private utilities. Portlanders, for instance,

served by privates, pay three times as much for electricity as people across the Columbia River in Vancouver, whose public utility gets the cheaper BPA hydroelectric power.

This situation poses the threat of chaos in regional energy politics. There has been talk that thousands of rural and residential private utility customers in Oregon might band together to form a huge new public utility district that could lay claim to BPA "preference" power under the old statute.

#### THE REGIONAL POWER BILL

The Regional Power Bill is an attempt to impose a rational framework within which to deal with scarcity, to construct and finance new sources of power, and to provide for effective conservation measures.

Because of the many and diverse interests affected, this has been a tough bill to put together. We are now on the third try. Past efforts have disintegrated when the apparent consensus collapsed. Now, however, there appears to be greater consensus than before on many key provisions of the bill. The Public Power Council (PPC) has adopted a series of amendments which represent a broad agreement among public and private utilities, the DSIs and BPA.

As in any such legislation, there are many trade-offs involved. The private utilities get some easing of the rate disparities between what their customers are charged and what public utility customers pay; the public utilities get greater certainty in planning for their energy needs; the aluminum companies get long-term contracts, in return for higher rates. The BPA acquires more authority for regional planning and acquisition.

But there are still aspects of the legislation unresolved. Not surprisingly, they deal with some of the most important questions that will affect our energy future.

#### THE REGIONAL COUNCIL/SECTION 4

From the outset, I have felt that Section 4, which establishes a regional council empowered to formulate a long-range plan for Northwest energy resource acquisition and conservation, was the most important provision in the bill.

Who serves on the council, how they are selected, whether they have an independent staff and the authority to be truly independent are at stake in this section of the legislation.

The Senate-passed bill includes a Section 4 which resembles something of a commission, made up of four members, hand-picked by the governors, who along with the BPA Administrator would develop energy programs and set energy priorities for the region. Under this scheme, the council would not be broadly based, nor would it be independent or be supported by an independent staff. Since each of the four states would have one vote, Washington would be denied a voice equal to its large population and heavy investment in energy facilities. Only half the state of Montana is represented, yet that state would have equal voting power with Washington on energy-related matters. Here are additional reasons why proportional representation is important to our state:

With nearly four million people, Washington is by far the largest state in the region. We consume more than half of the region's energy. Any council make-up should reflect the population disparities within the region.

Washington State has committed itself to the building of seven nuclear power plants. This is an impressive and burdensome investment which must be protected. Again, proportionality would insure that the state's commitment is provided adequate oversight.

Without proportional representation, the interests of Washington State's 22 Public

Utility Districts cannot be adequately represented. Public power must have a strong voice in Northwest energy decisions. A proportional council would be an important step in this direction.

Last year I offered an alternative to Section 4 that would establish a council of eleven members, based on population, with an independent staff and authority to formulate the region's energy plans for the future. Since that time both the City of Seattle and the Public Power Council have come up with similar proposals, one of which will be included in the House bill.

Within a few years Northwest residents will be paying as much in utility bills as they are in property taxes, yet, unlike local city councils and school boards, there will be little opportunity for direct public input on the policies involved. If Congress is to set up a regional entity to oversee energy matters, the people must have an opportunity to participate.

I feel strongly enough about this section that my ultimate support of the bill may depend on how it is addressed.

I support the concept of Regional Energy legislation. It is needed to bring rationality to the important energy decisions that lie ahead. But I hesitate to support a bill that does not guarantee the citizens of Washington State their rightful voice in those decisions.

The composition of the council and its relationship to the EPA are key to the determination of our energy future and will impact a broad range of issues including future electric rates, conservation measures, and the type and quantity of new generating resources we will build.

It is imperative that the State of Washington not be short-changed. The decisions that council might make in the near future will be felt for the next 25 years. Such authority must be clearly and directly accountable to the people.

REPRESENTATIVE BOB WILSON—  
41ST DISTRICT CALIFORNIA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

Mr. BOB WILSON. Mr. Speaker, I would like to share with my House colleagues a copy of a letter which I recently received from Mr. Edward Lifmann of Columbus, Ohio, with respect to U.S. interests in the future of Yugoslavia.

Mr. Lifmann is a patriotic American and a private citizen deeply concerned about our Nation and the world. I commend his observations to the Members of the House and include his letter as a portion of my remarks:

EDWARD LIFMANN,

Columbus, Ohio, February 12, 1980.

Re Kennan on Yugoslavia.

The NEW YORK TIMES,

229 West 43rd Street,

New York, N.Y.,

(Attention: Mr. Sheldon Binn, Political Editor).

DEAR MR. BINN: One should really disagree completely with Ambassador Kennan and James Reston. In Europe the saying is, "There is only one Yugoslav, Marshal Tito", and his constituents are Serbs, Croats, and Macedonians all in historical opposition to each other; an ideal hot bed for political infiltration Russian-style to be followed by an Afghanistan-type "invitation".