

1 **Northwest Public Power Association**
2 **Resolution 2019-06**
3 **Opposition to Changing the Role and Rates of the**
4 **Power Marketing Administrations**
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6 **Background**
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8 Congress and the Administration occasionally call for the sale of the federal power marketing
9 administrations (PMAs), require that the rates for PMA power be increased to reach “market”
10 rates, or attempt to use the PMAs as tools to accomplish broader policy objectives.
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12 Arguments in favor of these approaches often state that the PMAs are being subsidized by
13 taxpayers. This assertion is simply not true. PMA customers repay, with interest, the capital
14 costs of the federal hydropower facilities whose output is marketed by the PMAs. The
15 operations and maintenance costs of these projects are paid for by the customers. Any sale,
16 move to market rates, or expansion of the PMAs’ mission would result in increased electric
17 rates for PMA customers, which could seriously disrupt the economies of certain regions. As
18 such, PMA customers are paramount stakeholders in any PMA policy proposal.
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20 Budget proposals to sell the PMAs or their assets and past efforts by the Department of Energy
21 to limit the independence, redefine the mission, or ignore regional differences have threatened
22 to be costly and disruptive to the PMAs and their customers. While widely rejected by
23 Congress and PMA customers, these policy themes continue to surface and create uncertainty
24 for customers.
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26 **NWPPA’s Position**
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- 28 • NWPPA supports maintaining the historic mission of the PMAs to distribute federal
29 hydropower at cost-based rates with preference to public power entities.
- 30 • NWPPA supports a customer driven, bottom-up approach to any changes in PMA policy.
- 31 • NWPPA supports minimizing costs to public power electric utility customers and
32 opposes any proposals to sell the PMAs or their assets, or move to market rates.
- 33 • NWPPA supports and will protect the “Preference Clause” and the rights of preference
34 utilities in all circumstances.
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36 Origination Date: 1997 – Revised: March 2005 – Archived: 2006 – Re-Activated: 2011 and modified
37 in 2012, 2014, 2015, 2017, and 2018.