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Tuesday, September 11, 2012  
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CONTACT: [Spencer Pederson](#), [Crystal Feldman](#), or [Jill Strait](#)  
202-226-9019

## Local Stakeholders Deeply Concerned Chu Memo Could Raise Prices on American Families, Small Businesses and Family Farms

WASHINGTON D.C. – The House Natural Resources Committee today held an [oversight hearing](#) which examined bipartisan concerns that Energy Secretary Steven Chu’s memorandum to the Power Marketing Administrations (PMAs), including the Bonneville Power Administration (BPA), could significantly increase electricity rates on 40 million Americans. Through the Chu memo, the Obama Administration seems determined to pursue a Washington D.C.-knows-best mentality by imposing costly mandates at a time when American families can least afford them.

The hearing follows three congressional letters expressing concerns over the Administration’s proposals: [Pacific Northwest letter](#), [116 Member letter](#), and [Senator Baucus’s letter](#).

After the hearing, Natural Resources Committee Chairman Doc Hastings (WA-04) released the following statement:

*“We heard one thing loud and clear: those representing power customers – the small businesses, families, schools and large employers – are deeply concerned and fear the directives in the Chu Memo will result in higher electricity prices for over 40 million Americans,” said Chairman Hastings. “And despite bipartisan calls from the House and Senate for this Washington, DC-mandate to be set aside, the DOE witness repeatedly and very obviously dodged when asked if power rates could be driven up. All we were given is the cold comfort that DOE doesn’t know if power rates will be forced higher because a committee of faceless federal bureaucrats are still trying to decide.*

*“I can assure the affected families and businesses threatened by these high power rates that the Committee won’t sit idly by while Secretary Chu and DOE bureaucrats continue pushing this Washington, DC-mandate. We’ll keep demanding transparency and straight answers from the Obama Administration.”*

[Click here](#) to read Chairman Hastings’ opening statement.

While Secretary Chu, for the second time, refused to appear before the Committee to

explain the effects of his memo, witnesses with on-the-ground experience testified about potentially devastating impacts to electricity and water rates, small businesses and agriculture.

[Mark Crisson](#), President and CEO of the American Public Power Association, whose members serve more than 46 million Americans, expressed his disappointment in DOE's process for implementing the memo, *"Instead of coordinating with PMA customers to improve PMA operations within their congressionally mandated framework, DOE seeks to institute a new regime for the PMAs, outside the scope of their original purposes altogether."* Crisson later called the directives in the memo *"solutions in search of problems,"* and suggested that, *"Should DOE refuse to pull back from the path they have taken thus far, APPA would ask the Committee to consider legislative remedies..."*

[Joel Bladow](#), Senior Vice President at the Tri-State Generation and Transmission Association stated very plainly, *"we believe the Chu memorandum will add costs to our consumers' electricity bill, not reduce them."* Bladow, who attended the summer DOE workshops designed to ease concerns over the memo, described the meetings as *"disorganized"* and said they *"have not reduced our concerns over the DOE undertaking initiatives that may compromise the fundamental core principle of providing affordable electricity."*

[Scott Corwin](#), Executive Director of the Public Power Council, a trade association representing the consumer-owned electric utilities of the Pacific Northwest spoke about the unique regional relationships PMAs enjoy with ratepayers and noted *"directives from outside the region rarely work as well as solutions crafted by regional parties with knowledge of the unique nature of each power system."* Corwin warned that *"Direction to pursue policy objectives that would impose costs on BPA ratepayers without offsetting benefits is a dangerous threat to the region."*

[Kent Palmerton](#), General Manager of the Power and Water Resources Pooling Authority in California, had a simple message, *"changes to the PMAs that shift emphasis away from their statutory duties...will raise costs to the Pooling Authority...Higher costs to the Pooling Authority means higher water delivery costs to the farm communities."* Palmerton said that the Chu memo could have the opposite effect of its supposed goals by *"disrupt[ing] Western customers' ability to comply with California's renewable energy mandates, and will likely increase the use of fossil fuels to supplement Western's carbonfree hydropower."*

[Edward Anderson](#), General Manager of the South Dakota Rural Electric Association, submitted written testimony to the Committee saying, *"the administration and Secretary Chu know little about the federal power marketing administrations and their relationships with their preference customers."* Anderson added, *"The path that Secretary Chu is on is clearly not government by the people, but is a perfect example of the imposition of government upon the people, with little or no discernible benefit to the people, but will most certainly be paid for by the people."*

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