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**Press Release** | Contact: Danielle Langone (202) 225-6416

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WASHINGTON, DC—Co-chairs of the Northwest Energy Caucus Congressmen Peter DeFazio (D-Ore.), Doc Hastings (R-Wash.) and Greg Walden (R-Ore.) today commended the Bush administration for abandoning two previous budget proposals related to the Bonneville Power Administration that would have raised power rates in the Northwest and limited infrastructure investment. The budget proposals were abandoned at the request of the Northwest Energy Caucus and other regional stakeholders.

However, DeFazio, Hastings and Walden continue to have serious concerns about the budget proposal related to Bonneville's surplus sales revenue.

One of the abandoned provisions would have required the Bonneville Power Administration (BPA) to sell its energy at market rates, rather than its current practice of selling at cost. Selling at market rates would require Bonneville to raise its rates by approximately 50 percent.

The other abandoned provision, which the delegation has been fighting for years, would have required Bonneville to count any arrangement to use third-party financing to build transmission infrastructure against Bonneville's borrowing authority from the U.S. Treasury. This proposal would have essentially eliminated this financing option for Bonneville and restricted necessary infrastructure investments in the region.

However, DeFazio, Hastings and Walden expressed concern that the president's budget continues to call for Bonneville to use revenues from surplus power sales above \$500 million to accelerate repayments of its debt to the Treasury rather than using it to keep rates as low as possible. The administration argues the proposal would create additional room under Bonneville's borrowing authority cap to make infrastructure investments. However, the delegation has argued that this proposal represents a guaranteed rate increase, while the benefits are purely speculative and unlikely to appear.

“While this budget is less harmful to Northwest energy consumers than previous budgets, I remain concerned that the administration continues to push an ill-considered proposal that would make Bonneville's power rates artificially high while resulting in little or no benefit to the region,” DeFazio said.

“I'm pleased that the administration has responded to some of our long-standing concerns, however the remaining rate-raising proposal is not acceptable and I hope they will continue working toward consensus with regional stakeholders,” Hastings said.

“I'm glad the administration finally heard our roar on some key issues, but they have much homework to still do,” Walden said. “The benefits of BPA have been bought

and paid for by ratepayers in the region, and it's critical that the budget not be balanced on the backs of ratepayers in the Northwest. Those of us in Congress from the Northwest will continue to stick closely together in protecting ratepayers in our region.&quot;