
Selling BPA assets seen as detrimental to ratepayers

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The sale of the Bonneville Power Administration's transmission assets would increase transmission rates by roughly 26% to 44%, with those costs passed onto consumers, according to a research firm's report on the proposal.

As part of his full fiscal-year 2018 budget request, President Donald Trump proposed selling the transmission assets of BPA, Southwestern Power Administration and Western Area Power Administration, or WAPA, as well as repealing WAPA's borrowing authority. BPA operates about 75% of the Pacific Northwest's transmission lines.

A June 13 report from **McCullough Research** said proposed revenues from the sale of BPA's transmission assets are only 80% of the value of the assets being sold.

"Privatizing the Pacific Northwest's largest transmission system, and selling it at a loss, would be detrimental to ratepayers across the region," the report said.

According to the report, a 44% increase in transmission rates would have a fiscal-year 2019 rate impact of \$475 million. Along with an increase in transmission rates, the report said, selling BPA's transmission assets would result in anti-competitive behavior and poor service to rural locations.

"Politicians, industry groups, and ratepayers are correct to criticize this proposal," the report said.

Sen. Maria Cantwell, D-Wash., said the report shows how damaging the proposal is to the Northwest. "Any scheme to auction off the transmission assets of federal utilities, such as the Bonneville Power Administration, is a bad deal for consumers and for jobs in the Northwest," she said in a statement.

More than a dozen U.S. congressmen from Oregon and Washington have already called on the Trump administration not to sell the transmission assets. The idea has also been panned by public power producers like the American Public Power Association and the National Rural Electric Cooperative Association.

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