



Mid-West Electric Consumers Association

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FACT SHEET

Funding the Federal Power Program – Supporting Renewable Energy

Our country faces the challenge of reducing carbon emissions while maintaining an adequate supply of affordable, reliable electricity to power our homes, our businesses, and our communities. The federal power program has been contributing to this national goal for decades through the delivery of clean, renewable hydropower to rural electric cooperatives, municipal electric utilities, public power districts, federal facilities, Native American tribes and states for decades.

Recently, Congress has passed the American Recovery and Reinvestment Act which provides a \$3.25 billion fund for the Western Area Power Administration to develop and/or upgrade transmission to facilitate continued development of renewable energy facilities.

Western's new borrowing authority will help continued development of renewable resources, but does not provide funding for Western's existing transmission system and core mission – the delivery of clean renewable hydropower.

In spite of hydropower's continuing contribution to reduced carbon emissions, and its importance as a cost-based power supply to communities across the country, the federal government has not been adequately maintaining these resources (see attached chart).

The details of the FY 2010 Budget Request have not been published yet, but the Office of Management and Budget has consistently suggested under funding the federal Power Marketing Administrations. We don't expect FY2010 to be different.

The Western Area Power Administration is responsible for the marketing and delivery of federal hydropower. The 2000 megawatts of hydropower in the Pick-Sloan Missouri Basin Program ("Pick-Sloan") are a significant part of the power supply of public power, consumer-owned electric utilities, states and Native American tribes in the region.

Western's transmission system is a critical part of the electric industry infrastructure in the Missouri River Basin. With more than 11,000 miles of transmission, the Integrated System (IS) – jointly owned by Western, Basin Electric Power Cooperative, and the Heartland Consumer Power District – and Loveland Area Projects (LAP), in addition to delivering federal hydropower, serves electric utilities in the region in meeting their load growth responsibilities.

For over 100 years, the federal government has developed hydropower facilities at federal multi-purpose projects across the country. These multi-purpose projects serve a variety of purposes (flood, control, irrigation, municipal and industrial water, fish and wildlife, and recreation) and play an important role in local, regional, and national economic development.

In addition to providing carbon free electricity, the clean, renewable hydropower generated at these multi-purpose projects repays all of the power costs (with interest) and helps to repay a portion of other federal investment in these projects. This hydropower has been an important part of the resource mix of rural electric cooperatives, municipal electric utilities, public power districts, Native American tribes, federal and state agencies.

So, when the details of the 2010 Budget Request get to the Hill, please support sufficient funding for the Western Power Administration to accomplish all of its missions in delivering renewable energy to America.