

# Congress of the United States

Washington, DC 20510

June 27, 2018

The Honorable Rick Perry  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, D.C. 20585

Dear Secretary Perry:

We write to you with concerns about the recent decision by the Department to change a practice in place for more than two decades and have the Power Marketing Administrations (PMAs) report directly to the Assistant Secretary for Electricity rather than the Deputy Secretary. We urge you to reconsider this decision and to maintain the elevation of PMA issues to the senior leadership of the Department. While we respect your authority under the Department of Energy Organization Act to delegate various functions, the long-standing arrangement of the PMAs reporting directly to the Deputy Secretary has worked well. We are concerned that these changes could lead to decisions that are not in the best interest of Pacific Northwest ratepayers.

Many of us have written to the Administration to oppose provisions in the last two budget requests to divest PMA transmission facilities and abandon cost-based rates. Similarly, under the previous Administration, many of us opposed a proposal to reorient the PMAs as a test-bed for various purposes beyond their statutory missions. The unifying message in this Congressional oversight has been not to fix something that isn't broken. We deliver the same message today.

For many of our constituents, Bonneville Power Administration (BPA) rates and personnel are the most important variables in the quality and affordability of electric service in their communities. BPA's high-voltage transmission network is the backbone of the electric grid in the Pacific Northwest. In times of economic distress, such as the power markets crisis in 2000-2001, dedicated attention to the PMAs from the most senior levels of the Department is essential.

In recommending this reorganization, Deputy Secretary Brouillette highlighted the commonality of mission between the PMAs and the Office of Electricity, stating in a May 3, 2018, memorandum that the "mission and function of the PMAs" align with OE's "mission of ensuring a resilient, reliable, and flexible energy system." While we agree that these missions may be complementary, we believe there are important reasons to look beyond the commonality of delivery of electricity.

The PMAs were created as regional entities with unique statutory authorizations and obligations to serve local communities at cost-based rates. Since their creation, their missions and responsibilities have been amended by subsequent regional-focused legislation, such as the Federal Columbia River Transmission System Act and the Pacific Northwest Electric Power Planning and Conservation Act. The latter law, for example, removed the Department's authority to review BPA rate proposals before their submission for limited review by the Federal Energy Regulatory Commission. Among the requirements of these various statutes are that the PMA Administrators run the agencies in a business-like manner with considerable operating and financial autonomy. This autonomy has resulted in stable wholesale electric generation and transmission policy in the Pacific Northwest and elsewhere across various Administrations.

Since 1993, the delegated authority related to the PMAs has rested largely with the Deputy Secretary. Significantly, in 2001, Secretary Abraham offered a succinct reason why he planned to keep that delegation in place: "I understand this reporting arrangement has worked very well in bringing PMAs' time-sensitive concerns to the attention of the highest levels in the Department."

We encourage robust cooperation between the PMAs and OE, as well as other offices within the Department. However, our collective expectation is that major PMA decisions, including the hiring of Administrators, will receive direct attention at the highest level of the Department: either with yourself or with your deputy.

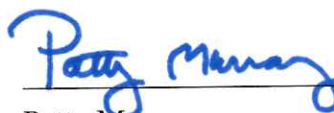
We therefore strongly urge you to reconsider this reorganization. Perhaps increasing the role of OE in routine communication and consultation with the PMAs on the behalf of the Deputy Secretary, while leaving to yourself or the Deputy Secretary core decisions about personnel and other key policies, would be a constructive alternative. Further, we look forward to greater consultation than we have received to date on an appropriate arrangement.

Thank you for your consideration.

Sincerely,



Maria Cantwell  
United States Senator



Patty Murray  
United States Senator



Denny Heck  
Member of Congress



Derek Kilmer  
Member of Congress

Adam Smith  
Member of Congress

Rick Larsen  
Member of Congress

Dan Newhouse  
Member of Congress

Jaime Herrera Beutler  
Member of Congress

Suzan DelBene  
Member of Congress

Pramila Jayapal  
Member of Congress