

WESTERN AREA POWER ADMINISTRATION
TRANSPARENCY ACT

DECEMBER 15, 2020.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. GRIJALVA, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 4444]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 4444) to require the Administrator of the Western Area Power Administration to establish a pilot project to provide increased transparency for customers, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 4444 is to require the Administrator of the Western Area Power Administration to establish a pilot project to provide increased transparency for customers.

BACKGROUND AND NEED FOR LEGISLATION¹

The Western Area Power Administration (WAPA) is one of the U.S. Department of Energy's (DOE's) four Power Marketing Administrations (PMAs), regionally-based entities which market the energy produced at hydropower facilities owned by the Bureau of Reclamation, Army Corps of Engineers, and a small number of additional federal facilities.²

In accordance with federal law, PMAs must sell their power at the lowest possible rates consistent with sound business practices,

¹See also RICHARD J. CAMPBELL, CONG. RESEARCH. SERV., R45548, THE POWER MARKETING ADMINISTRATIONS: BACKGROUND AND CURRENT ISSUES (2019), of which some of the above text is excerpts.

²Congressional Research Service, *The Power Marketing Administrations: Background and Current Issues* (Mar. 1, 2019) (R45548) (online at crsreports.congress.gov/product/pdf/R/R45548).

while high enough to recover the costs of the initial federal investment in hydropower and transmission facilities.³ Most of the power marketed by the PMAs is relatively inexpensive,⁴ but rate increases over the past several years have led some WAPA wholesale power customers to express concerns.⁵

Additionally, some power customers have raised concerns with the size of WAPA's unobligated balances of funds, which it maintains as a reserve to safeguard against unanticipated costs that could impact its ability to deliver power. Unanticipated costs can arise due to economic downturns as well as environmental factors such as drought and flooding, which may affect the function of power generating dams and introduce financial risk.⁶

In a 2015 report, the U.S. Government Accountability Office (GAO) determined that the unobligated balances in WAPA's Construction, Rehabilitation, Operation, and Maintenance (CROM) account exceeded the level necessary to maintain certain activities and manage risk.⁷ WAPA concurred with GAO's findings and released a plan in December 2016 to manage excess balances in the CROM account.⁸ In a 2018 investigation, DOE's Inspector General determined that WAPA had appropriately developed and implemented a strategy for managing its unobligated balances in fiscal year 2017, and had established a mechanism to monitor and report the balances.⁹

H.R. 4444 establishes a seven-year pilot project requiring WAPA to publish an online database detailing the rates charged to customers for power and transmission service and the amount of energy sold, starting with fiscal year 2008 and continuing through the duration of the pilot. The database must also include a detailed accounting of all expenditures, capital costs, and staffing costs by region and at WAPA's headquarters office. Finally, the legislation directs WAPA to publish information on the anticipated level of unobligated balances that WAPA retains after the end of each fiscal year during the pilot project.

In order to increase financial transparency, WAPA compiles some information on its rates, costs, and unobligated balances on a single page titled "The Source" on its website, originally released in 2016.¹⁰ WAPA notes that the information provided on this page was expanded based on a previous draft of the Senate companion to this bill, as well as conversations with its wholesale power customers.¹¹

³ Ibid.

⁴ U.S. Energy Information Administration, *Federal Power Marketing Administrations operate across much of the United States* (June 12, 2013) (online at www.eia.gov/todayinenergy/detail.php?id=11651).

⁵ *Senate bill targets Western power agency probed by Republic; Flake, McCain seek more transparency*, The Arizona Republic (Apr. 26, 2017) (online at www.azcentral.com/story/news/local/arizona-investigations/2017/04/26/senate-bill-targets-western-power-agency-probed-republic-flake-mccain-seek-more-transparency/100904360/).

⁶ Government Accountability Office, "2013 Sequestration and Shutdown, Selected Agencies Generally Managed Unobligated Balances in Reviewed Accounts, but Balances Exceeded Target Levels in Two Accounts (GAO-16-26)." <http://www.gao.gov/products/GAO-16-26>.

⁷ Ibid.

⁸ Western Area Power Administration, *Unobligated Balance Strategy FY2016-FY2020*, Dec. 15, 2016. <https://www.wapa.gov/About/financial/reserve-balances-strategy.pdf>.

⁹ U.S. Department of Energy Office of Inspector General, *Western Area Power Administration's Unobligated Balances from Various Funding Sources* (July 10, 2018)(DOE-OIG-18-38) (online at www.energy.gov/ig/downloads/inspection-report-doe-oig-18-38).

¹⁰ Western Area Power Administration, *Financial Transparency* (Feb. 21, 2020) (online at www.wapa.gov/About/the-source/Pages/financial-transparency.aspx).

¹¹ Ibid.

COMMITTEE ACTION

H.R. 4444 was introduced on September 20, 2019, by Representative Paul Gosar (R–AZ). The bill was referred solely to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On February 12, 2020, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. No amendments were offered, and the bill was adopted and ordered favorably reported to the House of Representatives by unanimous consent.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—the following hearing was used to develop or consider H.R. 4444: full committee markup held on February 12, 2020.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND
CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 21, 2020.

Hon. RÁUL M. GRIJALVA,
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4444, the Western Area Power Administration Transparency Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

H.R. 4444, Western Area Power Administration Transparency Act			
As ordered reported by the House Committee on Natural Resources on February 12, 2020			
By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 4444 would direct the Western Area Power Administration (WAPA) to make more information about its financial operations available to the public. WAPA is an agency within the Department of Energy that markets electricity produced at federally owned dams in several western states. WAPA's expenditures are funded by annual appropriations and are offset over time by income from the sale of electricity.

Using information from WAPA, CBO estimates that implementing H.R. 4444 would cost less than \$500,000 over the 2020–2025 period because much of that work is being done under current law and primarily involves making existing data available in new formats.

On December 9, 2019, CBO transmitted a cost estimate for S. 1931, the Western Area Power Administration Transparency Act, as ordered reported by the Senate Committee on Energy and Natural Resources on October 23, 2019. The two bills are similar and CBO's estimated costs are the same for both bills.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill are to require the Administrator of the Western Area Power Administration to establish a pilot project to provide increased transparency for customers.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

This bill contains no unfunded mandates.

EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes to existing law.

SUPPLEMENTAL, MINORITY, ADDITIONAL, OR DISSENTING VIEWS

None.

