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## Bonneville Power Administration Privatisation

In an effort to cut expenditures on the national budget, the President proposed the sale of the Bonneville Power Administration's high-voltage transmission network and the Northwest/Southwest Interties to private owners. Despite the apparent immediate effect of cutting roughly \$5 billion from the national budget, the privatization of the transmission network and the Interties would have a potentially drastic negative impact on the ratepayers in the Pacific Northwest. Not only would the sale impact the monthly payments of the ratepayers and the availability of the power itself, but it would also impact the reliability of the transmission lines.

The concept of privatising the Bonneville Power Administration's services is not a new one. It has been a proposed method of cutting government spending many times. According to Molly Lempriere in her article "Privatising the Northwest's Transmission System", "Bill Clinton proposed the sale in the 1990's, and George W. Bush suggested that energy prices in the region should be raised to bring them in line with market rates, which was generally seen as a first step towards privatisation" (Lempriere). Supporters of the privatisation of the Bonneville Power Administration services claim that innovations will be made at a more rapid pace, and that the services that are currently available will have increased efficiency (Lempriere).

As it currently stands, the Bonneville Power Administration owns and is currently managing over 75% of the transmission lines linking the entirety of the West Coast. Transferring ownership and redoing the management of every line that is owned by a different private entity will cost billions of dollars. The cost of the transfer will inevitably trickle down to the ratepayers, increasing their monthly payment (Nadvornick). This increase in rates would likely not be a one time event. The new owners of the transmission lines would likely place profit over reliability, and continue to raise the power rates as they see fit. In a letter addressed to Secretary Perry and Office of Management and power prices, and put those in rural and unprofitable communities at risk of being overlooked as high-value lines may be sold while others servicing small groups of people may be abandoned" (Lempriere).

Tom Karier, the eastern Washington representative on the Northwest Power and Conservation Council, says that the more pressing concern isn't the change of ownership. Rather, it's the proposed limitations on the borrowing power of the Bonneville Power Administration. By reducing the borrowing power of the Bonneville Power Administration, the funding that would have been available disappears. This lack of funding could cause the Bonneville Power Administration to be unable to make necessary improvements or repairs to the transmission lines. Karier says that "If we need to build a new transmission line for security and adequacy, we need to be able to borrow the money and pay it back. So it's putting in jeopardy the reliability of electric power to Northwest ratepayers" (Nadvornick).

## Works Cited

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