

RESOLUTION 2-H.F.No. 957

A resolution memorializing the President and Congress to abandon the proposed sale of the Western Area Power Administration.

WHEREAS, the Clinton Administration and Congress are considering proposals to sell the Western Area Power Administration (WAPA), which provides low-cost power to municipal utilities, electric cooperatives, and state facilities in Minnesota; and

WHEREAS, sale of WAPA could trigger an estimated \$36,000,000 increase in annual power costs for customers of the municipal utilities at Ada, Adrian, Alexandria, Barnesville, Baudette, Benson, Breckenridge, Detroit Lakes, East Grand Forks, Elbow Lake, Fairfax, Fosston, Granite Falls, Halstad, Hawley, Henning, Jackson, Kandiyohi, Lake Park, Lakefield, Litchfield, Luverne, Madison, Marshall, Melrose, Moorhead, Mountain Lake, Nielsville, Olivia, Ortonville, Redwood Falls, Roseau, Sauk Centre, Sleepy Eye, Springfield, Staples, St. James, Stephen, Thief River Falls, Tyler, Wadena, Warren, Warroad, Westbrook, Willmar, Windom, and Worthington; and

WHEREAS, sale of WAPA could trigger an estimated \$20,000,000 increase in annual power costs for customers of the following rural electric cooperatives: Agralite, Beltrami, Brown County, Clearwater-Polk, Federated, Itasca-Mantrap, Kandiyohi, Lake Region, Lyon-Lincoln, McLeod, Meeker, Minnesota Valley, Nobles, North Star, PKM, Red Lake, Red River, Redwood, Renville-Sibley, Roseau, Runestone, South Central, Southwestern Minnesota, Stearns, Todd-Wadena, Traverse, and Wild Rice; and

WHEREAS, sale of WAPA could trigger an estimated \$1,000,000 increase in annual power costs for Fergus Falls State Hospital, Southwest Minnesota State University, and Willmar Regional Treatment Center; and

WHEREAS, the cities, cooperatives, and state agencies that receive power from WAPA committed to the federal power program more than 40 years ago, and have relied on continued access to federal power in their long-range energy plans; and

WHEREAS, the customers of WAPA's Eastern Pick Sloan facilities have repaid approximately 40 percent of the original investment in these facilities, with interest, and sale of the facilities would wipe out the customers' equity contribution; and

WHEREAS, the customers of WAPA pay for the operation of the federal power facilities through their rates, the program places no drain on the federal treasury, and the program does not contribute to the federal deficit; and

WHEREAS, in addition to producing electricity, WAPA's multipurpose power projects produce revenue from power sales which helps pay for irrigation, flood control, navigation, municipal and industrial water supply, wildlife enhancement, recreation, and salinity control; and no private party can step in and act as a surrogate for government in performing these functions; and

WHEREAS, sale of these assets is extremely complex, due to the multipurpose nature of the projects, numerous legal and contractual problems, Indian, Mexican, and Canadian treaty provisions, and environmental concerns; and

WHEREAS, the federal power program is one of our nation's greatest assets and it should be preserved; and

WHEREAS, dismantling the federal power program is a short-sighted quick fix that will not benefit the nation in the long run; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that the President and the Congress of the United States should not pursue the sale of the Western Area Power Administration.

BE IT FURTHER RESOLVED that the Minnesota municipal utilities, cooperatives, and state facilities which receive federal power from the Western Area Power Administration should continue to receive their allocations of power at cost-based rates.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, the chair of the Senate Committee on Energy and Natural Resources, the chair of the House Committee on Energy and Commerce, and Minnesota's Senators and Representatives in Congress.

Presented to the governor April 17, 1995

Signed by the governor April 19, 1995, 2:15 p.m.