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Secretary Chu Again Invited to Testify on Memorandum Directives that Could Increase Electricity Rates for Over 40 Million Americans

WASHINGTON, D.C. – House Natural Resources Committee Chairman Doc Hastings (WA-04) today sent a letter to Department of Energy (DOE) Secretary Steven Chu inviting him to testify at a Full Committee hearing on Tuesday, September 11th regarding his Memorandum to the Power Marketing Administrations (PMAs). Secretary Chu was originally invited to testify at a [hearing](#) on April 26, 2012, but declined due to foreign travel. Click [here](#) to read the full letter.

Serious concerns and questions have been raised about Secretary Chu's Memorandum, which mandates new missions for PMAs and could raise energy costs on over 40 million Americans. In June, over 160 House members and Senators sent a bipartisan [letter](#) to Secretary Chu expressing concerns with the missions outlined in his Memorandum. The House also passed bipartisan appropriations language prohibiting funding for any new activities in the document.

"I believe your Department's actions to justify and implement the Memorandum are very troubling. At a very fragile economic time, we cannot afford to raise electricity prices. Over 40 million families and small businesses that ultimately receive PMA power could experience rate increases under the unilateral actions outlined in the Memorandum. Those ratepayers and Congress deserve real answers to legitimate questions," [wrote Hastings in the letter.](#) "The process your Department has undertaken on behalf of your Memorandum is fundamentally broken and no implementation of new activities in the Memorandum should occur until further congressional oversight and real public input can occur. As the Memorandum states, you have directed this effort and you are responsible for its implementation. Your appearance before the Committee could help resolve valid concerns and answer many serious questions."

Background:

On March 16, 2012, Department of Energy Secretary Steven Chu sent a [Memorandum](#) to Power Marketing Administrations (PMAs) that includes directives that could increase the cost of energy for millions of American families and small businesses. The four Power Marketing Administrations are: Bonneville Power Administration; Western Area Power Administration; Southwestern Power Administration; and Southeastern Power Administration.

Chairman Hastings [initially raised concerns](#) that Secretary Chu's Memorandum would raise energy costs on March 16th as well as in a Subcommittee on Water and Power budget [oversight hearing](#) on March 20th with the Administrators of all four PMAs in attendance as witnesses.

On April 26, 2012 the House Natural Resources Committee held an [oversight hearing](#) on "*Increased Electricity Costs for American Families and Small Businesses: The Potential Impacts of the Chu Memorandum*". Secretary Chu declined Chairman Hastings [invitation](#) to testify. At the hearing, consumer-owned utility representatives testified how the Memo would directly impact millions of Americans who rely on affordable energy from PMAs.

Many groups have come out in opposition to the proposed changes to the PMAs. The American Public Power Association (APPA), a not-for-profit, non partisan organization representing more than 2,000 community owned electric utilities, released [comments](#) detailing why they do not support the changes. In the comments, APPA states, "*Given the course of the proceedings up until now, we find it hard to believe that DOE is genuinely seeking customer input, or that it does not have a predetermined policy agenda it wishes to pursue, regardless of customer input or the actual facts on the ground.*"

National Rural Electric Cooperative Association CEO Glenn English also issued a [statement](#) in response to Secretary Chu's memorandum, noting, "*America's electric cooperatives are concerned about the potential impact on consumers of the proposals listed in Secretary Chu's memo... These proposals could have the practical effect of increasing electric bills for millions of co-op members.*"

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