

*in the news*[home](#) [site search](#) [org chart](#) [contact us](#) [web comments](#)

BPA, Corps applauded for cutting red tape

**Joint News Release:
U.S. Army Corps of Engineers
and
Bonneville Power Administration**

**FOR IMMEDIATE RELEASE: TUESDAY, January 27, 1998
PR 04 98**

**FOR MORE INFORMATION:
contact, [Crystal Ball](#), BPA, 503-230-5133 or
Clare Perry, Corps, 503-808-3710**

[Click here for other BPA news releases](#)

Washington, D. C. — Members of Congress today applauded the Bonneville Power Administration and the U.S. Army Corps of Engineers for a unique funding agreement aimed at reducing red tape and creating efficiencies to enhance the operation of the Federal Columbia River Power System.

Sens. Slade Gorton, R-Wash., and Patty Murray, D-Wash., and Reps. Peter DeFazio, D-Ore., and Norm Dicks, D-Wash., joined representatives from the two agencies in Washington, D.C. who signed the direct funding agreement.

"Without a doubt, the direct funding agreements will improve the overall value of the federal hydro system by generating more energy and providing greater system reliability," said Elizabeth Moler, deputy secretary of the U.S. Department of Energy.

Under the agreement, BPA will directly fund repair and maintenance costs at the 21 hydroelectric power plants in the Pacific Northwest that are owned and operated by the Corps. Prior to the agreement, such costs were funded through the federal budget process and then repaid by BPA at year's end to the U.S. Treasury. The agreement eliminates the congressional appropriations loop, but retains Congressional oversight. It also allows the Corps to make power plant repairs that otherwise would have been delayed because of budget limitations and inflexible schedules inherent in the annual appropriations process.

The changes serve the best interest of taxpayers and BPA ratepayers alike. By shortening the time to secure funding for repairs and maintenance, they provide greater assurance generators will keep running, and they remove maintenance as a funding item. This eliminates competition with other federal budget priorities. Additionally, the agreement should also improve the performance and cost efficiency of the generating projects. For example, BPA may now be able to fund off-shift maintenance work, which would allow power plants to run during BPA's peak generation hours.

"This agreement is a major improvement," said acting BPA Administrator Jack Robertson. "Before now, delays and uncertainty in funding maintenance on turbines and other power-related facilities disrupted operations that are critical to generating the revenues needed to pay for the projects."

The agreement covers a 10-year period beginning Oct. 1, 1998. Terms call for the Corps to secure funding certainty for plant operations and maintenance for the next five years, guaranteeing BPA will know its financial obligations related to the power plants. The agreement also establishes a better business relationship between both agencies that is expected to foster an improved understanding of regional priorities.

"Direct funding will provide for a true partnership between the Corps, which is the fourth largest power generator in the country, and BPA. This strengthened relationship will improve the efficiency and reliability of the power supply in the Northwest region," said Dr. John Zirschky, Assistant Secretary of the Army (Civil Works).

A joint operating committee of representatives from each agency will review budgets and program expenditures as well as coordinate operation and maintenance activities on the power system. With completion of the agreement, BPA now has direct funding mechanisms in place for all federal power plants in the Pacific Northwest. BPA previously signed a capital funding agreement with the Corps, and has both capital and operation and maintenance agreements in place with the U.S. Bureau of Reclamation.

The federal operation and maintenance budget is approximately \$150 million a year and provides about 85 percent of BPA's power supply. While the direct funding agreement was reached independently of the BPA cost review panel, it has similar goals to capture efficiencies.

The U.S. Army Corps of Engineers operates 21 hydroelectric power plants in the Pacific Northwest. Aside from hydropower production, Corps projects serve multiple purposes such as irrigation, flood control, recreation, and fish and wildlife enhancement. The Bonneville Power Administration markets the electricity from these and other federal hydro projects located in the Columbia Basin.

###
