



Utility Formation for Tribes

The Energy Policy Act of 1992 paved the way for competition in the electric power industry. Tribes across the country now have an opportunity to redefine their traditional roles in receiving electric service and are considering forming utilities in response to wholesale deregulation of the electric industry. While challenges exist, there can be significant benefits for Tribes in utility formation including providing and encouraging Tribal employment, supporting conservation and resource development, and improving utility infrastructure and service.

Owning and operating utilities allows Tribes to work in their best interest and that of Tribal members. A Tribal utility can work for the sustainable development of the Tribe through policies set and accepted by Tribal members. Access to cost-based power from federal power marketing administrations in most cases will lower Tribal members' utility bills.

Bonneville requires six Standards for Service to be met before an entity can become a utility customer. The purchaser must:

1. be legally formed in accordance with local, state, federal, or Tribal laws;
2. own a distribution system and be ready, willing, and able to take power from Bonneville within a reasonable period of time;
3. have a general utility responsibility within the service area;
4. have the financial ability to pay Bonneville for the federal power it purchases;
5. have adequate utility operations and structure; and
6. be able to purchase power in wholesale amounts.

A more detailed discussion of these standards can be found at:

http://www.bpa.gov/power/pl/subscription/sfs_policy.pdf