

PMAs Vital Source of Electricity for Electric Cooperatives

Key Facts

- The Power Marketing Administrations are federal agencies that market electric power used by 600 rural electric cooperatives in 34 states.
- Appropriations for the federal power program is repaid, with interest, to the U.S. Treasury by federal power customers.
- NRECA opposes efforts to privatize PMA assets and change the rate structure.

PMAs Provide Electricity to More than 600 Electric Cooperatives

More than 600 co-ops in 34 states are customers of the Department of Energy's four Power Marketing Administrations (PMA). For this reason, NRECA is focused on ensuring that the federal hydropower infrastructure and PMAs remain a vital part of America's energy backbone. The PMAs are federal agencies with the responsibility to market electric power, primarily from multiple-purpose water projects operated by the Bureau of Reclamation and the U.S. Army Corps of Engineers.

The Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration and the Western Area Power Administration span geographically diverse regions. Since each PMA region is unique, federal customers and the electric consumers they serve favor regional decision-making rather than management from Washington.

Budget Threats Remain

Another feature of the federal power program is that it pays its own way. Unlike most other federal programs, appropriations for the federal power program is repaid, with interest, to the U.S. Treasury by federal power customers. PMA rates are set to cover all electric generation and transmission costs, as well as repayment, with interest, of the federal investment in these hydropower projects. No costs are absorbed by taxpayers.

The president's Fiscal Year 2020 budget proposed the divestiture of PMA assets as well as a change to market-based rates. This is the third year that the president's budget has proposed the sale of transmission assets of three PMAs and the second year in which the budget proposes changing the cost-based rate structure for all PMAs. This proposal would result in higher electricity costs for millions of homes and businesses.

NRECA Opposes Privatization of PMA Assets

The PMAs are an important source of electricity for America's electric cooperatives. NRECA opposes efforts to privatize PMA assets and change the rate structure.

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