



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 24, 2000

S. 1937

An act to amend the Pacific Northwest Electric Power Planning and Conservation Act to provide for sales of electricity by the Bonneville Power Administration to joint operating entities

As ordered reported by the House Committee on Resources on July 19, 2000

S. 1937 would amend the Pacific Northwest Electric Power Planning and Conservation Act to allow joint operating entities to purchase electricity from the Bonneville Power Administration (BPA). Under current law, BPA is obligated to meet the power needs of its preference customers (public utilities and cooperatives) before all other power sales. Under this act, two or more entities that were preference customers as of January 1, 1999, could form a new type of preference customer, a joint operating entity, which could aggregate its members' contracts for the purchase of power from BPA.

Utilities participating in a joint operating entity might realize some operating efficiencies and reductions in overhead costs, but BPA's receipts from the sale of power would not be affected. Therefore, CBO estimates that S. 1937 would have no impact on the federal budget. Because S. 1937 would not affect direct spending or receipts, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Lisa Cash Driskill. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.