

DIVEST THE POWER MARKETING ADMINISTRATIONS' TRANSMISSION ASSETS

Department of Energy

The Budget proposes to sell the transmission assets of the Department of Energy's Power Marketing Administrations (PMAs), which include Southwestern Power Administration (SWPA), Western Area Power Administration (WAPA), and Bonneville Power Administration (BPA). The private sector is best suited to own and operate electricity transmission assets. Eliminating or reducing the Federal Government's role in owning and operating transmission assets and increasing the private sector's role encourages a more efficient allocation of economic resources and mitigates unnecessary risk to taxpayers.

Funding Summary

(In millions of dollars)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Divest WAPA Transmission Assets.....	0	-580	0	0	0	0	0	0	0	0	-580	-580
Divest SWPA Transmission Assets.....	0	-15	0	0	0	0	0	0	0	0	-15	-15
Divest BPA Transmission Assets.....	0	-1,733	-488	-483	-493	-452	-386	-386	-386	-386	-3,197	-5,193
Total.....	0	-2,328	-488	-483	-493	-452	-386	-386	-386	-386	-3,792	-5,788

Justification

The Budget proposes to sell the electricity transmission assets currently owned by the Southwestern Power Administration, the Western Area Power Administration, and the Bonneville Power Administration. Divestiture of Federal assets can encourage private capital investment in the Nation's infrastructure and relieve long-term pressure on the deficit related to future capital investments. The vast majority of the Nation's electricity infrastructure is owned and operated by for-profit investor owned utilities. Ownership of transmission assets is best carried out by the private sector where there are appropriate market and regulatory incentives.