



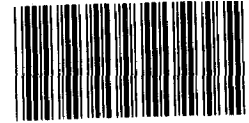
UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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ENERGY AND MINERALS  
DIVISION

JULY 8, 1980

B-199167



112728

The Honorable Charles W. Duncan, Jr.  
The Secretary of Energy

*AGC 90912*

Dear Mr. Duncan:

Subject: Federal Power Marketing Agencies Could Do More in the  
Conservation and Renewable Resource Areas (EMD-80-85)

During the past 2 years, we have issued reports which looked at the future role and contributions of the Federal power marketing agencies for assisting in carrying out national energy initiatives. 1/ Specifically, we outlined areas in conservation and renewable resources that the Bonneville Power Administration (BPA) and the Western Area Power Administration (WAPA) should be involved in, and recommended a legislative re-chartering in order to assure these areas would be pursued. We envisioned these agencies becoming major contributors to demonstrating national energy priorities and paving the way for new areas in electricity management. We saw them as supportive of the Tennessee Valley Authority's (TVA's) role as a yardstick for the electricity area and TVA's innovations in electricity management.

*REC 0465*  
*DL 07115*

*AGC 0008*

As you are aware, legislation 2/ is far along in assigning BPA additional authority in conservation and renewable resources. As shown in a recent report issued to Congressman Jim Weaver, the Pacific Northwest has considerable potential for conservation savings and development of renewable resources. 3/ In fact, the figures in our report may be somewhat conservative. A May 19, 1980, address by the Administrator, BPA, showed the potential for renewable resources and cost-effective conservation by 1990 in the Northwest to be 3,300 megawatts--several hundred megawatts above our figures. We see BPA as a major force in seeing this regional potential is achieved.

1/"Region at the Crossroads--The Pacific Northwest Searches for New Sources of Electric Energy," EMD-78-76, Aug. 10, 1978; "Electric Energy Options for the Pacific Southwest," EMD-79-73, Oct. 16, 1979.

2/The Pacific Northwest Electric Power Planning and Conservation Act.

3/"Hypothetical Transfer of Construction Funds from Nuclear Powerplants to Electricity Conservation and Renewable Energies," EMD-80-71, Apr. 4, 1980.

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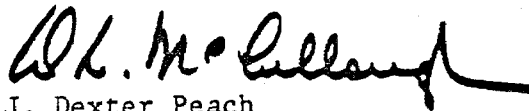
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With the Department's support of the Northwest legislation for an expanded role for BPA, it would seem logical that WAPA and the other power marketing agencies should also be assigned expanded leadership roles. According to a Department of Energy official, however, none of these other agencies have received similar legislative attention aimed at their gaining additional authority. Granted, these agencies are smaller than BPA, but we still believe they could play a significant role in achieving conservation savings and demonstrating and developing renewable resources. We believe this because these agencies (1) have a wide geographic coverage and (2) have direct contact with a large number of power retailers which in turn have direct contact with many consumers. Based on our previous WAPA report and the current status of their marketing operations, we continue to recommend that you seek to expand the role for WAPA in carrying out conservation and renewable resource programs. In addition, we believe you should consider the use of the other power marketing agencies for carrying out these programs in their respective regions.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report; a like statement to the House and Senate Committees on Appropriations should accompany the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget, and the House and Senate Committees having oversight and appropriation responsibilities for the power marketing agencies.

Sincerely yours,

*for*   
J. Dexter Peach  
Director

*Mc Callough, Douglas L.*