



Please Vote Yes on SB 261

We support SB 261, which promotes economic development through expanded energy infrastructure in the Pacific Northwest. Treating energy transmission facilities leased to the United States under a lease-purchase agreement lowers BPA's costs and reduces impacts on ratepayers.

BPA is the major developer of energy infrastructure for economic development in the Pacific Northwest.

- BPA is relied upon to maintain highly reliable power and transmission.
- From 2009-2011, BPA spent over \$1 billion to expand and reinforce its transmission system. Much of that activity has been in Oregon.

BPA's power and transmission system is a major economic driver for the region.

- BPA's low-cost, reliable power and power transmission has supported the growth of Oregon's economy by attracting new industries to the state.
- Traditionally, BPA has relied on its ability to borrow from the U.S. Treasury to finance energy infrastructure investments, but borrowing authority is capped by law and could soon be exhausted.
- BPA's transmission maintenance and expansion must continue in order to provide the reliable power that business, industrial, and cooperative customers require.
- BPA's third-party financing program enables BPA to make transmission infrastructure investments at low cost without depleting Treasury borrowing authority.
- Taxing the transmission facilities that BPA finances through a third-party increases BPA's costs and impacts ratepayers.

BPA is a not for profit federal agency that recovers its costs in rates.

- BPA markets electricity and covers all costs in the rates set for its products and services.
- Increases in BPA's costs must be recovered from BPA ratepayers.

BPA's lease-financed transmission facilities are exempt from property tax in Washington and Idaho. Those states recognize BPA as the beneficial owner of the facilities.

- Oregon, a strict title state, has declared that the transmission facilities are subject to property tax because the third-party holds legal title.

BPA's leased-financing program is a financial tool that BPA uses for building energy transmission infrastructure.

- Treating transmission assets leased to BPA as property of the United States would unify tax treatment of the facilities among other states and with the Treasury-financed facilities that BPA owns outright.
- Once the lease is paid in full, BPA intends to purchase these transmission assets for a nominal price.

From the Desk of
Representative Jules
Bailey