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**RAHALL MOVES AGAINST THREAT TO CONSUMERS AND ENVIRONMENT  
BY SUBSIDIZED HYDROELECTRIC POWER PROJECTS**

WASHINGTON, D.C. -- U.S. Rep. Nick J. Rahall (D-WV) today introduced legislation aimed at ending the threat posed to consumers and the environment by subsidized and unneeded hydroelectric power projects.

"This legislation would once and for all end the cruel hoax that is being perpetrated on the American people by speculators in hydroelectric power," Rahall stated. "We are faced with the prospect of consumers continuing to be made to pay for projects that are not only unneeded, but for power that is more expensive than what is already being generated and planned for by the electric utility company."

Rahall's bill seeks to address the subsidy provided for hydroelectric power projects, built on rivers and streams, under the Public Utility Regulatory Policies Act of 1978 (PURPA). The intent of this law was to facilitate industrial cogeneration and environmentally benign alternative power sources by requiring electric utilities to purchase this power whenever it is offered. However, while the law never envisioned a ratepayer subsidy, because of changing energy prices and inept implementation by the Federal Energy Regulatory Commission (FERC), Rahall says that is exactly what has happened. His bill would simply repeal the applicability of the law to hydroelectric power projects.

According to the Congressman, if two proposed hydro projects at the Summersville and Sutton Dams in West Virginia are approved by FERC, the combined effect on electric utility consumers would be a \$91 million subsidy financed by the ratepayers over a 10-year period. This subsidy occurs as a result of the regulatory scheme for these projects.

Rahall stated "that the efficacy of building hydroelectric power projects in the midst of some of the richest coalfields in the world" simply does not make sense. The Congressman has concerns over how these projects would impact coal employment levels and planned coal-fired power projects in West Virginia. He also expressed reservations on how these hydro projects would impact trout and other game fish resources.

Rahall also warned that "With the growing demand for outdoor recreational opportunities, we can ill-afford the continued loss of the natural resources on which hydroelectric power is based. Nor can many areas of the country afford to squander away its tourism potential for the sake of unnecessary hydro power developments."