

**Tracey LeBeau, Administrator, Western Area Power Administration
Remarks before the U.S. House of Representatives**

**COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON WATER, WILDLIFE AND FISHERIES**

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Thank you, Mr. Chairman Bentz, Ranking Member Huffman, and Members of the Committee. My name is Tracey LeBeau, Administrator of Western Area Power Administration. I'm pleased to be here with you today.

WAPA is among the nation's largest transmission owners and providers, covering a footprint of more than 1.3 million square miles across 15 states in the West. We market hydropower from 57 Federal dams and deliver it along our 17-thousand miles of high-voltage transmission. Our core mission is to safely provide reliable, cost-based hydropower and transmission to our wholesale customers and the communities they serve.

WAPA's nearly 2,000 dedicated employees and contractors tirelessly keep the lights on for over 40 million Americans. Together, we work to ensure that electricity is available and affordable to those who rely on it for economic and for basic needs.

Our recent strategic plan Power Forward 2030 serves as a framework around our 3 organizational priorities: to safeguard a sustainable energy future, to modernize our grid, and to invest in our employees. With this framework to guide us, we are well positioned to adapt to exciting and challenging years ahead, as both a critical source of stable, clean energy and a vital transmission backbone across the West.

One challenge we continue to face is Drought. Drought threatened WAPA's entire service territory for the first time in 2022. While conditions improved in the last year, drought remains what we consider a slow-moving natural disaster that will take years of consistent and significant snowpack to recover fully. In response, WAPA adjusted rates throughout its system to ensure system reliability.

Reduced hydropower generation means more customers must buy power in the open market, which had led to increased costs and constrained supply, and negatively impacting WAPA's customers, many of whom serve some of the most economically vulnerable communities in the United States.

WAPA's Purchase Power and Wheeling Authority is an important financial guardrail against drought as it funds our purchasing replacement power. This program's budget this year has been adjusted to \$688 million, down from \$715 million last year, which we fully recover through customer rates. Thanks to your support of this program, we are able to mitigate the economic impacts to the communities we serve.

WAPA continues to experience threats from extreme weather which do result in damage to lines and facilities. These events are worsened by continuing supply chain challenges. Our supply chain risk management program is integral to our cybersecurity and our procurement strategies; we also are exploring with industry ideas like creating reserves for large transformers to establish scale for new projects, and possibly guard against emergencies.

The core of WAPA's mission is to provide safe and reliable electricity. As such, WAPA maintains, rebuilds and upgrades our existing infrastructure and we also build new transmission.

One current project, in Arizona, Vail-to-Tortolita, demonstrates how to improve reliability without raising rates and is a model for future large-scale public-private partnerships. We've also partnered with the U.S. military. We've had some opportunities particularly with Beale Air Force base in Arizona to help them with reliability for their essential missions.

Our Transmission Infrastructure Program continues to manage and invest WAPA's \$3.25 billion borrowing authority to finance the exigent need for new transmission in the West. TIP is supporting a number of projects, one example being a recently announced public-private partnership with Gridliance to expand a portion of our Mead substation outside of Hoover, which is a critical transmission and energy market hub in the West.

Energy markets are supporting how we operate: making sure that we reliably serve expanding load; meet clean energy goals; and plan and build new lines. WAPA was the first PMA to fully join a regional transmission organization, or RTO, in 2015. It's been very successful. Today, we're involved in every major energy market initiative in the Western Interconnection.

Physical security is an increasing concern to the grid. We continue to harden our system from physical & cyber risks. Although there's no specific physical threat to WAPA at this time, we have had a concerning uptick in security incidents; we continue to be hyper vigilant, reminding everybody if they see something, say something; and have increased our security posture.

As the energy landscape evolves, WAPA stands ready to address challenges and seize opportunities for the benefit of our nearly 700 wholesale customers across the West, as well as the nation.

Thank you, again for allowing me to testify today and I'll be available to answer any questions you might have.