



# Fact Sheet

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## BPA's foundational statutes

While numerous laws may affect or apply to the Bonneville Power Administration's operations, four key statutes define the agency's mission and guide its day-to-day operations.

### The Bonneville Project Act of 1937, 16 U.S.C. § 832

This act created the Bonneville Project, which included Bonneville Dam and the transmission system necessary to deliver the power generated by it. It also tasked the Bonneville Power Administration to provide preference and priority in sales of federally generated power to Pacific Northwest public bodies and cooperatives. These public bodies and cooperatives became known as BPA's preference customers. The statute authorized the administrator to sell power generated by the Bonneville Dam and to construct, own and operate a transmission system to deliver such power to its customers. The Bonneville Project Act requires the administrator to set rates to recover the costs related to producing and transmitting energy from the Federal Columbia River Power System. BPA was originally established under the Department of Interior, but was later designated as a distinct entity within the Department of Energy, under the 1977 Department of Energy Organization Act, 42 U.S.C. §7152.

### The Pacific Northwest Consumer Power Preference Act of 1964, 16 U.S.C § 837

In the early 1960s, the United States was negotiating the Columbia River Treaty with Canada, as well as considering a proposed high-voltage interconnection that

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would connect the Northwest federal transmission system with some southwest states, including parts of California, Nevada and Utah. These actions raised concerns about how BPA would allocate power among the regions, particularly to publicly owned utilities in California. In response, Congress passed the Pacific Northwest Consumer Power Preference Act of 1964, also known as the Regional Preference Act. This act defined what states and regions make up BPA's Pacific Northwest service territory and obligated the agency to ensure the energy needs of its customers in the Pacific Northwest region are met before offering surplus power and capacity for sale outside of the region.

### The Federal Columbia River Transmission System Act of 1974, 16 U.S.C §838

This act designates BPA's administrator as the marketing agent for all federal power generation in the Pacific Northwest, and vests the administrator with broad authority to construct transmission systems to integrate and transmit both federal and nonfederal power. Before the act, the administrator's authority to market federal power beyond the Bonneville Project was based on delegated authority through orders of the Secretary of the Interior. The Transmission System Act also established





the Bonneville Power Administration Fund to enable financial flexibility by allowing BPA to manage funding and repayment obligations based on rates, rather than through annual appropriations from Congress.

## The Pacific Northwest Electric Power Planning and Conservation Act of 1980, 16 U.S.C § 839

Known as the Northwest Power Act, this statute is the most recent significant legislation pertaining to BPA. The act:

- Reaffirmed the agency's preference and priority for power sales to its public body and cooperative customers.
- Further defined BPA's first obligation to supply power to the Pacific Northwest.
- Granted the administrator authority to acquire resources on a long-term basis.
- Obligated the administrator to offer a contract to sell power to public bodies and investor-owned utilities whenever requested.

The act also created the Northwest Power and Conservation Council and directed Bonneville to protect, mitigate and enhance conditions for fish and wildlife. The act provides the legal framework for Bonneville's [energy efficiency program](#), [fish and wildlife program](#) and the [Residential Exchange Program](#).

These four [statutes](#) are the legal framework for BPA's power and transmission operations. Other laws, such as the National Environmental Policy Act, [Endangered Species Act](#) and [National Historic Preservation Act](#), also direct some of the agency's actions and day-to-day work. Information about these statutes and many others are available on [bpa.gov](http://bpa.gov).