For Immediate Release: October 11, 2018
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NARUC Advances PURPA Dialogue with New Whitepaper

WASHINGTON—A new report from the National Association of Regulatory Utility Commissioners addresses the need to reform the long-standing Public Utility Regulatory Policies Act of 1978.

Aligning PURPA with the Modern Energy Landscape—A Proposal to FERC outlines a reform that would modernize the law, which was enacted 40 years ago next month, and bring it in line with the current state of the energy markets. Authored by Montana Commissioner Travis Kavulla and NARUC Director of Energy Policy and Senior Counsel Jennifer Murphy, the paper proposes that FERC exempt from PURPA’s mandatory purchase obligation those utilities which are subject to state competitive solicitation requirements and other best practices that ensure all technologies access to the market.

Reforming FERC’s regulation on PURPA has been a priority for state commissions since the 1990s, and the NARUC paper argues that FERC will be missing an opportunity if it does not act or enacts only modest reforms.

"Today NARUC is forwarding a proposal that we believe will further the cause of cooperative federalism and will be fair to utilities, developers and consumers alike," said NARUC President John Betkoski III.

"FERC should identify competitive practices in non-RTO areas, which states and utilities may voluntarily meet in order to obtain an exemption from PURPA’s mandatory purchase obligation," said Kavulla.

NARUC addressed this issue previously through letters to FERC in 2017 and 2018 (see press release). Despite amendments to PURPA in 2005, subsequent dramatic advancements in the energy landscape require PURPA to align with the context of today’s energy sector.


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About NARUC

NARUC is a non-profit organization founded in 1889 whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC’s member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of State public utility commissions before the three branches of the Federal government.