



N A R U C
National Association of Regulatory Utility Commissioners

For Immediate Release: **December 18, 2017**
Contact: Regina L. Davis, 202-898-9382, rdavis@naruc.org

NARUC Pushes for PURPA Reform in Letter to FERC *Proposes Three Reforms to Modernize and Improve Law*

WASHINGTON—The National Association of Regulatory Utility Commissioners has issued a letter to the members of the Federal Energy Regulatory Commission urging action to reform the Public Utility Regulatory Policies Act of 1978 (known as PURPA) and outlining methods to achieve the much-needed changes.

With dramatic changes to the energy industry since PURPA was first enacted, the issues surrounding PURPA's implementing regulations are important and should remain among FERC Chairman McIntyre's chief priorities.

NARUC describes four significant changes since the original PURPA enactment, which provide important context for the letter's urgency: the creation of wholesale markets; the widespread adoption of qualifying facilities technologies as sources of power; the open-access regulation of the transmission system; and the use of competitive methods to select projects throughout the states—all of which suggest that PURPA's administrative regulations should be aligned to these developments, instead of obstructing them.

"We appreciate the challenges for FERC to address the many issues that have been stalled over the past year. However, PURPA is an issue that deserves immediate attention and action," said NARUC President John W. Betkoski III. "Our state members have a deep interest in ensuring that PURPA is reformed in a manner that reflects our needs today. We need renewables, but we need to procure them in a better way."

"FERC already has the statutory authority to enact comprehensive reforms of PURPA's implementing regulations, and it would be an enormous missed opportunity if FERC enacted only small changes to them," said Travis Kavulla, past president of NARUC and vice-chairman of the Montana Public Service Commission. "There are ways forward on this problem that encourage both competition and the development of renewable technologies, while protecting consumers."

NARUC's letter outlines three ways to reform PURPA, structured around the following propositions:

1. FERC should adopt regulations that move away from the use of administratively determined avoided costs, and encourage the use of competitive solicitations for PURPA compliance and project selection.
2. Lower or eliminate the 20 MW threshold for the rebuttable presumption that qualifying facilities with a capacity at or below that size do not have nondiscriminatory access to the market, which would increase competition and reduce transaction costs to state commissions.
3. Address the disaggregation problem where qualifying facilities have gamed state and federal regulation by making changes to the “one-mile rule” and other related reforms.

NARUC will remain engaged in this issue and look forward to working with FERC to achieve these reforms. The letter is available on NARUC’s website at <http://bit.ly/FERCLetterPURPA>.

###

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.