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# Aligning PURPA with the Modern Energy Landscape: National Association of Regulatory Utility Commissioners Federal Energy Regulatory Commission Proposal

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The National Association of Regulatory Utility Commissioners ("NARUC") issued an October 11th paper titled:

*Aligning PURPA with the Modern Energy Landscape – A Proposal to FERC ("Proposal")*

The Proposal argues for an effort to reform the Public Utility Regulatory Policy Act of 1978 ("PURPA").

PURPA was enacted by Congress in 1978 during a period of energy crises. Goals of the federal statute included:

- Conservation of electric energy
- Increased efficiency in the use of facilities and resources by electric utilities
- Equitable retail rates for electric consumers
- Expeditious development of hydroelectric potential of existing small dams
- Conservation of natural gas while ensuring that rates to natural gas consumers are equitable

The federal statute established a new class of generating facilities that were provided special rate and regulatory treatment. Such generating facilities are classified as qualifying facilities and are encompassed by one of two categories:

- Qualifying Small Power Production Facilities
- Qualifying Co-Generation Facilities

The NARUC Proposal is authored by Montana Commissioner Travis Kavulla and NARUC Director of Energy Policy and Senior Counsel Jennifer Murphy.

The Proposal:

- Suggests revisions to modernize PURPA and "bring it in line with the current state of energy markets"
- Proposes that FERC exempt from PURPA's mandatory purchase obligation those utilities which are subject to state competitive solicitation requirements
- Proposes what are described as various "best practices to ensure all technologies access to the market"
- Allow competitive mechanisms (whether in RTO or non-RTO markets)

- Facilitate the work of achieving PURPA's goals

The Proposal states that the reform of FERC 's PURPA regulations is one of the states' top priority. As a result, it concludes that FERC will be "missing an opportunity if it does not act or enacts only modest reforms."

NARUC describes itself as a non-profit organization dedicated to representing the state public service commissions who regulate the utilities that provide essential services such as energy, communications, power, water, and transportation. Its members include all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

A copy of the proposal can be downloaded [here](#).