

ONE HUNDRED FIFTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115  
Majority (202) 225-2927  
Minority (202) 225-3641

August 4, 2017

Mr. Alex Glenn  
Senior Vice President  
Duke Energy Corporation  
550 South Tryon Street  
Charlotte, NC 28202

Dear Mr. Glenn:

Thank you for appearing before the Subcommittee on Energy on Tuesday, July 18, 2017, to testify at the hearing entitled "Powering America: Examining the State of the Electric Industry through Market Participant Perspectives."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Friday, August 18, 2017. Your responses should be mailed to Elena Brennan, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to [Elena.Brennan@mail.house.gov](mailto:Elena.Brennan@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Fred Upton  
Chairman  
Subcommittee on Energy

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy

Attachment

## Attachment—Additional Questions for the Record

### The Honorable Fred Upton

1. You testified that it may be time to update PURPA as a result of changes in the market, notably substantial growth in renewable energy due to federal and state incentives and policies. Can you describe what circumstances are causing utilities to pay above-market costs for electricity under a PURPA contract?
  - a. Do you have an example of how much more ratepayers are paying because of PURPA contracts?
  - b. Do you have specific suggestions on how PURPA should be revised?
2. You testified that Qualifying Facilities (QFs) under PURPA contract at higher costs due to mandatory purchase obligations set out in the law. However, the power they sell to the wholesale markets play an important role in fuel diversity and resiliency—do those added benefits to the grid outweigh slightly higher costs?
  - a. How could avoided-cost calculations be changed to better integrate QFs into wholesale markets at more cost-effective price points?

### The Honorable Richard Hudson

1. In your testimony, you discuss how the timely siting and permitting of vital infrastructure projects is critical to strengthen the power grid. You also mention how the lack of quorum at FERC is preventing action on these crucial infrastructure projects, including natural gas pipelines. One such project, the Atlantic Coast Pipeline, will provide clean-burning natural gas supplies to growing markets in Virginia and North Carolina. Pipeline construction alone will create 17,000 new jobs and \$2.7 billion in economic activity across the region, and once operating, the pipeline will save consumers an estimated \$377 million a year on their energy costs. Additionally, the pipeline will generate \$28 million in annual property tax revenue for local governments along the route. This pipeline is one that needs a FERC Commission issued Certificate Order by the end of September in order for the company to begin physical work on clearing the right of way for the pipeline in October. If these timelines aren't met it could significantly delay the in-service date of ACP. If that happens, what will that do to Virginia and North Carolina customers?
2. You flagged that the preservation of interest deductibility in tax reform is critical for electric utilities. Can you expand on what type of capital investments Duke Energy and other electric utilities make in the communities they serve and why that is tied to interest deductibility?