

Opening Statement of Chairman Greg Walden
Subcommittee on Energy
Hearing on “Powering America: Reevaluating PURPA’s Objectives
and its Effects on Today’s Consumers”
September 6, 2017

(As prepared for delivery)

Nearly 40 years ago, Congress passed the Public Utilities Regulatory Policies Act, now commonly referred to as PURPA. As many of you are aware, this law was passed during a time when the country was overly dependent on foreign supplies of energy, resulting in national energy shortages and economic instability. In response to these challenging circumstances, Congress passed PURPA with the goal of promoting energy conservation and increasing domestic energy supplies.

Now that PURPA has been in place for multiple decades, we can see how it has helped transform the U.S. energy sector, bolstered renewable energy, and reduced greenhouse gas emissions. Gone are the days of Americans relying heavily on overseas sources of energy and unstable global markets to meet their energy needs. Instead, the country now has access to many forms of abundant domestic energy, which has been spurred by innovative technologies and competitive energy markets.

In passing PURPA, Congress took the first step towards competition within the electricity sector by allowing electricity generation to be independent of regulated monopolies for the first time. Since then, Congress and FERC have continued to take actions to increase competition, resulting in tremendous benefits for consumers across the nation. We on the committee want to continue down this same path of increased competition and innovation. Our aim is to strengthen energy markets and encourage innovation throughout the electricity sector, giving consumers more choice and greater control over their energy decisions, while also benefiting the environment.

Today’s hearing gives us the opportunity to look at PURPA with fresh eyes and evaluate what effect it is having on evolving electricity markets and the modern day consumer. Given the fact that PURPA was written nearly 40 years ago and that the U.S. electricity system is undergoing significant transformation, now is the time for the committee to review PURPA and its associated impacts. This review includes discussing the original intent of specific PURPA provisions and determining if these provisions are still working successfully today. For example, in today’s hearing we will review the requirements connected to the mandatory purchase obligation, the effectiveness of the one-mile rule when designating

qualifying facilities, and the various methods states are using to calculate avoided costs.

This committee understands that many stakeholders in the electricity sector are closely following potential PURPA reforms. In fact, I know that this is true for my constituents in Eastern Oregon, where we have more than 100 qualifying facilities operating as a direct result of PURPA. In addressing this topic, we want to make sure that all stakeholders have an opportunity to be heard, which is why we are holding this hearing today, and why we will continue to engage proactively with all stakeholders going forward.

In all that we do on the Energy and Commerce Committee we strive to focus on the needs and interests of American consumers. When we are successful in this pursuit, I am confident that everything else will find in its proper place. With that, I look forward to the remainder of this hearing and to better understanding how PURPA is affecting consumers across the nation.