

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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October 23, 2017

Mr. Darwin Baas
Director
Department of Public Works for Kent County, Michigan
1500 Scribner, N.W.
Grand Rapids, MI 49504

Dear Mr. Baas:

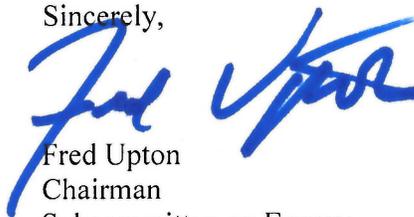
Thank you for appearing before the Subcommittee on Energy on Wednesday, September 6, 2017, to testify at the hearing entitled "Powering America: Reevaluating PURPA's Objectives and its Effects on Today's Consumers."

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 Monday, November 6, 2017. Your responses should be mailed to Allie Bury, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to Allie.Bury@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. State policies are driving growth in renewable generation. Renewable Portfolio Standards (RPS), tax credits, competitive procurement requirements, and net metering programs are just a few of them.
 - a. In light of these more recent pro-renewable policies and mandates (since 1978), do we still need PURPA to drive renewable development?
2. If we set aside PURPA for a moment, do you believe that state policies (*including integrated resource planning (IRP), competitive procurement requirements, net metering, and renewable portfolio standards*) are stable enough to provide a reliable investment climate for renewable generation?
3. In your testimony, you state that Waste-to-Energy QFs are facing particular hurdles that are different than those faced by renewable QFs. Can you explain in greater detail? Is this an avoided cost problem?
4. If PURPA was no longer in effect, how do you think it would affect consumer electricity rates and the future development of renewable energy, cogeneration facilities, and waste-to-energy facilities?

The Honorable Frank Pallone, Jr.

1. In your testimony, you suggest that the relevant utility in your state is seeking a rate increase of \$172 million, on top of an additional \$759 million in rate increases it has already received in the last 9 years. Yet, you suggest you are not seeing any of that increase reflected in your energy pricing.
 - a. How much of the utility's electricity comes from QFs?
 - b. When must you sign a new contract with your utility, and do you have any indication that the utility will pass any of that new rate increase through to you in your new contract?
2. You state in your testimony that "avoided costs" paid to waste-to-energy QFs should include the value of environmental and energy benefits, such as baseload generation, the diversity of generation, proximity to load centers, greenhouse gas mitigation, resiliency and for being municipal infrastructure.
 - a. Are these attributes not part of the current cost calculation?

- b. If Congress amended PURPA, would you recommend that these attributes be specifically identified as an element of avoided cost?
 - c. Are there any other changes you would recommend?
- 3. Some have argued that the rates QFs receive are above market and are set too high for fixed periods that don't account for changes in the industry.
 - a. What is your assessment, and how do you respond based on your knowledge and experience in the industry?
 - b. What is your response to those who would use this position to argue for eliminating or scaling back the QF program?
- 4. It has been reported that the utilities do not need power from existing QFs, therefore, low avoided cost prices are justified.
 - a. Based on your experience, how would you describe utilities' need for more electricity?
- 5. Do you believe that the challenges you face with PURPA are unique to Kent County or limited to a region or market, and are you aware of similar issues on a national level?