

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

October 23, 2017

Mr. Frank Prager  
Vice President, Policy and Federal Affairs  
Xcel Energy  
1800 Larimer Street  
Denver, CO 80202

Dear Mr. Prager:

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](mailto: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. You say that section 210 is a “creature of another time” and that the energy issues that gave rise to PURPA in 1978 no longer exist. You also detail a number of QF abuses and the harm to state resource planning from PURPA’s mandatory purchase requirement.
  - a. If section 210 is repealed, do you believe that small scale renewable development will be harmed?
  - b. Much of your testimony focused on the trouble caused by renewable or intermittent QFs. Have you had similar experiences with other QFs such as industrial co-gen QFs or municipal waste QFs?
4. As it stands now, under section 292 of FERC’s regulations (18 CFR § 292), the “one-mile rule” is not rebuttable and utilities have little recourse to challenge QF projects that attempt to game this restriction.
  - a. Should FERC revise its regulations to allow utilities to demonstrate that a QF developer is attempting to split a single large project into multiple smaller ones to receive the benefits of PURPA?
5. We’ve heard about situations where a host utility has no need for additional power, but are nevertheless required to purchase the QF output under section 210 of PURPA (i.e, the mandatory purchase obligation).
  - a. How does a utility respond in these types of situations?
  - b. Should state commissions be able to suspend the mandatory purchase requirement in situations where it determines that the utility does not need the QF output in order to meet its obligation to serve load?

**The Honorable Bobby Rush**

1. Does Xcel determine its cost estimates based on long-term avoided cost analyses?
  - a. How does Xcel recover these costs from ratepayers, and what is the average timeframe for cost recovery?
  - b. Who assumes the risks associated with project cost overruns related to self-built resources?
  - c. Who assumes the risks associated with fuel price volatility related to self-built fossil fuel resources?
2. Does Xcel collect a return on equity when entering into PURPA contracts with QFs?
  - a. What is the return on equity collected by Xcel on the company's self-built resources?