



1101 K Street, NW
Suite 700
Washington DC 20005-421
202.682.1390

John P. Hughes
President & Chief Executive Officer

December 6, 2017

The Honorable Tim Walberg
2436 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Walberg,

On behalf of the Electricity Consumers Resource Council (ELCON), I am writing in support of your legislation entitled the "PURPA Modernization Act of 2017."

ELCON is the national association representing large industrial users of electricity, including large manufacturers that own and/or operate or host PURPA qualifying cogeneration and small power production facilities. In fact, ELCON was founded in 1976 in anticipation of the enactment of the Public Utility Regulatory Policies Act. ELCON members are among the largest owners and operators of Combined Heat and Power (CHP) or cogeneration facilities which are used in oil refining, petrochemicals, organic and inorganic chemicals processing and manufacture, food processing, and motor vehicle manufacturing.

The PURPA-bred cogeneration facilities operated by ELCON members have been an important part of our nation's energy mix for over forty years. They help reduce our national energy requirements, improve business international competitiveness by increasing energy efficiency and reducing costs, diversify energy supplies by enabling further integration of domestically produced and renewable fuels, advance environmental goals by reducing various emissions, improve grid reliability and create jobs.

Recently the Act was the subject of hearings before Federal Energy Regulatory Commission (FERC) and the Energy and Commerce Committee. While CHP was roundly praised as consistent with the original intent of the Act, some legitimate concerns were raised about some non-CHP facilities covered by the Act. This has created the perception that PURPA is no longer a credible federal policy and should be abolished. ELCON believes the "PURPA Modernization Act of 2017" narrowly addresses those concerns while preserving the successful cogeneration provisions in the Act. It would be an important step in restoring the credibility of PURPA.

While we do support this legislation in its current form, we strongly urge you to consider language exempting all industrial qualifying facilities regardless of the energy source as advocated by the American Forest & Paper Association (AF&PA) and the Industrial Energy Consumers of America (IECA).

ELCON appreciates your efforts to fine tune this law and looks forward to working with you to insure that PURPA continues to promote cogeneration as a least-cost, clean, efficient and reliable source of energy.

Sincerely,

A handwritten signature in blue ink that reads "John P. Hughes".