



November 29, 2017

The Honorable Tim Walberg
2436 Rayburn House Office Building
Washington, DC 20515

Dear Representative Walberg:

I write in support of H.R. 4476, the PURPA Modernization Act of 2017, and commend you for authoring this critical legislation. We agree that the Public Utility Regulatory Policies Act of 1978 (PURPA) is outdated and imposes unnecessary regulatory and financial burdens on electric co-ops. While PURPA served its purpose, as set forth 40 years ago, it now serves to artificially drive up the cost of electricity. H.R. 4476 updates PURPA to better reflect the existing electricity market, and I urge the House of Representatives to pass this legislation swiftly.

Delivering affordable, reliable electricity is imperative to the communities served by electric co-ops. The electricity industry has undergone a dramatic transformation from the time PURPA was enacted. The development of competitive wholesale electricity markets, the abundance of natural gas, the thriving renewable energy sector and innovation by electric cooperatives all contributed to this transformation. Many qualifying facilities have access to competitive markets and yet they continue to have prices set well above market rates. In some communities, PURPA contracts have actually inhibited new renewable energy facilities, which could provide more efficient and affordable electricity at far lower rates.

The helpful reforms included in H.R. 4476 expand the authority of states and localities to evaluate markets in their jurisdictions. Under this bill, waivers to mandatory purchase obligations could be granted, if it is determined that a qualifying facility has nondiscriminatory access to a competitive market or if a utility does not need capacity or energy from a qualifying facility. We agree that states and localities are best positioned to make these assessments and, by providing this flexibility, H.R. 4476 can ensure the original intent of PURPA is preserved and can help utilities continue to provide affordable electricity to consumers.

This bill also includes an important provision aimed to prevent abuse by developers who disaggregate large-scale facilities into several smaller units to benefit from multiple power purchase agreements. By allowing stakeholders to petition the Federal Energy Regulatory Commission, this agency would be authorized to determine whether such abuses occur.

H.R. 4476 would modernize PURPA to more accurately reflect the current electricity market and help rural electric cooperatives continue to provide affordable, reliable electricity. I strongly urge the House of Representatives to move this important legislation forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Matheson", with a long horizontal flourish extending to the right.

Jim Matheson
Chief Executive Officer
National Rural Electric Cooperative Association

cc: The Honorable Greg Walden
The Honorable Frank Pallone
The Honorable Fred Upton
The Honorable Bobby Rush