



this environment of new technologies and access to markets that [qualifying facilities] operate.”<sup>3</sup> APPA and NRECA agree wholeheartedly with Chairman Chatterjee, therefore, that “better aligning PURPA with our modern energy landscape” should be a Commission priority.<sup>4</sup>

Implementation of PURPA’s mandatory purchase obligation is of particular concern to public power and electric cooperative utilities, as it can require these utilities to buy power from qualifying facilities (“QFs”) they do not need, at rates that may be higher than what can be obtained from the market. The mandatory purchase obligation also impacts long-term generation capacity planning when electric utilities are unexpectedly required to purchase power not accounted for in their integrated resource plans. APPA and NRECA recognize that the mandatory purchase obligation is a statutory requirement. As EEI observes, however, the Commission retains significant discretion in adopting regulations to implement this and other PURPA provisions.<sup>5</sup> Updating the Commission’s rules on matters such as calculation of avoided costs, implementation of PURPA section 210(m), and small power production QF qualification criteria (including the one mile rule under 18 C.F.R. § 292.204(a)(2)), could result in more reasonable outcomes for electric utilities and their customers without contravening PURPA’s statutory requirements.

APPA and NRECA support EEI’s request that the Commission undertake a holistic review of its PURPA’s rules and regulations, and we share the view that the Commission should “institute broader reforms to ensure that PURPA’s implementation is aligned with today’s energy landscape.”<sup>6</sup> APPA and NRECA appreciate the Commission’s interest in conducting such an

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<sup>3</sup> *Id.*

<sup>4</sup> *End of Year Review with Chairman Neil Chatterjee*, FERC Podcast Transcript (Dec. 20, 2018), available at: <https://www.ferc.gov/media/podcast/2018/12-20-transcript.pdf?csrt=16241441919453397476>.

<sup>5</sup> EEI Motion to Lodge at 2.

<sup>6</sup> *Id.* at 4.

appraisal, and we look forward to working with the Commission as its review proceeds.

Respectfully submitted,

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