

E-3 New PURPA section 210(m) Regulations Applicable to Small Power Production and Cogeneration Facilities, RM06-10-000

Notice of Proposed Rulemaking

Because this NOPR proposes to implement Congress' provision to allow, under certain circumstances, for the termination of the mandatory purchase and sale requirements under the Public Utility Regulatory Policies Act of 1978 (PURPA), I believe this is a good time to talk about the legislative success that PURPA has been. PURPA has achieved the objectives that Congress had for it when Congress enacted it into law in 1978. PURPA has benefited our country in many ways:

- PURPA has established that competition in electricity wholesale markets could work and could bring benefits to consumers.
- PURPA has encouraged the construction of efficient and environmentally-friendly cogeneration and small power production facilities.
- PURPA has stimulated remarkable advances in renewable energy technology. For example, in 1978, the cost of power produced from wind farms in America was 37.5 cents per kWh. Today, the cost is under 3 cents per kWh.
- PURPA has established that there is a significant value to distributed generation for purposes of both efficiency and reliability.
- PURPA has allowed American businesses to become more efficient by using cogeneration facilities. This, in turn, has increased these businesses' competitiveness in national and international markets.

To the extent America now has organized, competitive wholesale electricity markets that can provide for the buying and selling of electricity generated from renewable energy sources, PURPA has been a tremendous success.