

# Consideration of Two New PURPA Standards

## PURPA Regulation

- Public Utility Regulatory Policies Act of 1978 (“PURPA”) – “. . . each nonregulated electric utility shall **consider** each standard established by subsection (d) and make a **determination** concerning whether or not it is **appropriate** to implement such standard to carry out the **purposes** of this title.”
  - US Code, Title 16, Chapter 46, Subchapter II, Section 111
- “Consideration” requires public notice and hearing.
- “Determination” of whether or not it is “appropriate” to implement the Standard must be
  - in writing,
  - based upon findings included in such determination and upon the evidence presented at the hearing, and
  - available to the public.
- Standard is “appropriate” to implement based on “Purposes” of PURPA, which are to encourage:
  - conservation of energy supplied by electric utilities,
  - efficiency optimization of the facilities and resources used by electric utilities, and
  - equitable rates to electric consumers
- 21 Standards that nonregulated utilities shall consider have been mandated as follows:
  - 6 – original PURPA
  - 4 – Energy Policy Act of 1992
  - 5 – Energy Policy Act of 2005
  - 4 – Energy Independence and Security Act of 2007
  - 2 – 2021 Infrastructure Investment and Jobs Act (“IIJA”)

## Two new standards added by IIJA:

### (20) Demand-response practices

#### (A) In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

#### (B) Rate recovery

##### (i) In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

##### (ii) Nonregulated electric utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

## **(21) Electric vehicle charging programs**

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that—

- (A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
- (B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
- (C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
- (D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

## Timeline

- November 14, 2022 – Board begins consideration period and directs staff to establish procedures to ensure appropriate completion of the process by November 15, 2023.
- August 14, 2023 – Board approves Public Notice on or about August 28, 2023 to receive written comments up to September 4, 2023 and oral comments at Public Hearing on September 11, 2023.
- September 11, 2023 –
  - Public Hearing at PPS Board meeting.
  - Board receives written and oral comments from PPS staff and public (oral comments to be transcribed into the record).
  - Board votes to (a) close the Public Hearing process, or (b) extend the Public Hearing to receive additional written comments only through [no later than October 2, 2023].
- October 9, 2023 – Board considers all written comments presented in Public Hearing and makes findings of appropriateness for each of the two standards.