

## **HB 3863 STAFF MEASURE SUMMARY**

### **Senate Committee On Energy and Environment**

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**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 4/23

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#### **WHAT THE MEASURE DOES:**

The measure requires the Oregon Public Utility Commission to establish an eligibility cap at no less than 10 megawatts for the use of standard avoided costs rates and contracts for the purchase of energy or energy and capacity from qualifying facilities under the Public Utility Regulatory Policies Act of 1978. It takes effect on the 91st day following adjournment sine die.

- No Fiscal Impact
- No Revenue Impact
- Ayes, 40; Nays, 15

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

The Public Utility Regulatory Policies Act of 1978 (PURPA) required the Federal Energy Regulatory Commission to adopt regulations for electric utilities to offer to purchase power from, and interconnect with, qualifying, non-utility energy generation projects. According to the [Oregon Public Utility Commission](#), the purpose of PURPA was to "encourage industrial waste heat recovery and renewable energy resource development by non-utility power producers," or qualifying facilities. A "qualifying facility" is defined as a cogeneration facility or a small power production facility (Oregon Revised Statute 758.505). Wind and solar energy developers can use PURPA to sell power at avoided cost rate, which is the rate that electric utilities are required to pay for power purchased from qualifying facilities.