

LNG Exports/PURPA Modernization: January 19th U.S. House of Representatives Energy Subcommittee Hearing Scheduled



Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

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The United States House of Representatives Energy Subcommittee of the House Energy and Commerce Committee has scheduled a January 19th hearing entitled "*Legislation Addressing LNG Exports and PURPA Modernization.*"

A January 12th Energy and Commerce Committee news release states that the Subcommittee Hearing will examine and receive feedback on three bills that would:

- Streamline the approval process for liquefied natural gas (LNG) exports
- Modernize the Public Utility and Regulatory Policy Act (PURPA) of 1978 to reflect increased competition in wholesale electricity markets

The bills include (along with their descriptions):

H.R. 4605, Unlocking our Domestic LNG Potential Act, authored by committee member Rep. Bill Johnson (R-OH), would:

- Repeal regulatory restrictions to allow domestic LNG suppliers to begin exports once the Federal Energy Regulatory Commission (FERC) approves the siting and construction of the facility.

H.R. 4606, Ensuring Small Scale LNG Certainty and Access Act, also authored by Rep. Johnson, would:

- Provide that applications under the Natural Gas Act for the import or export of small volumes of natural gas shall be approved without modification or delay.

H.R. 4476, PURPA Modernization Act, authored by committee member Rep. Tim Walberg (R-MI), would:

- Modernize PURPA for the 21st century by lowering the mandatory purchase obligation threshold to 2.5 Megawatts because of increased competition in wholesale electricity markets;
- Prevent further abuse of FERC's 'one-mile-rule' through the creation of a list of factors that FERC must consider when determining whether a facility is located at the same site as another, and;
- Allow an electric utility to be relieved of its mandatory purchase obligation if the appropriate state regulatory agency determines that the electric utility: has no need to purchase the output of a small power production facility; or uses integrated resource planning.

As noted in a previous blog post ([see post here](#)), PURPA was enacted by Congress in 1978 during a period of energy crises. Goals of the federal statute included:

- Conservation of electric energy
- Increased efficiency in the use of facilities and resources by electric utilities
- Equitable retail rates for electric consumers
- Expeditious development of hydroelectric potential of existing small dams
- Conservation of natural gas while ensuring that rates to natural gas consumers are equitable

The federal statute established a new class of generating facilities that were provided special rate and regulatory treatment. Such generating facilities are classified as qualifying facilities and are encompassed by one of two categories:

- Qualifying Small Power Production Facilities
- Qualifying Co-Generation Facilities

[A copy of the Energy and Commerce Committee news release can be downloaded here.](#)