Oregon Public Utility Commission Stands Firm on PURPA


PURPA was passed to promote independent energy generation and renewable energy by requiring utilities to purchase energy from certain independently developed renewable projects.

Idaho Power (docket UM 1725) and Pacific Power (docket UM 1734) requested reductions to the size of wind and solar projects eligible for standard PURPA contracts and to the length of PURPA contracts.

Renewable Northwest and allies, including NW Energy Coalition, Renewable Energy Coalition, Community Renewables Energy Association, and Sierra Club, successfully argued the utilities’ requested reduction of contract lengths would make long-term planning for development of renewables impractical and would effectively undermine the intent of PURPA.

OPUC held firm that requiring 20-year contracts is sound public policy, stating that “Longer term contracts help align the financing period with an asset’s useful life, making the investment less risky and likelier to obtain far more reasonable financing terms.”

OPUC also rejected the utilities’ proposal to reduce to 100 kW the threshold size allowing a renewable project to enter into standard PURPA contracts with standard prices and terms. Instead, OPUC modified the rules to limit access of solar renewable projects larger than 3 MW to standard prices, allowing them continued access to standard contract terms and conditions.

This decision demonstrated OPUC’s thorough understanding of the purpose of PURPA to provide market opportunities for clean, renewable electricity produced by independent power producers and co-generators.

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