

## **QF Discussion for South Carolina Energy Use and Resource Subcommittee**

### **What is a QF and why are they important?**

In 1978, the Public Utility Regulatory Policies Act of 1978 (PURPA) was implemented by the Federal Energy Regulatory Commission (FERC) to encourage conservation of electric energy, increased efficiency in the use of facilities and resources by electric utilities, and equitable retail rates for electric customers, along with other electrical energy and natural gas efficiency and conservation measures. One of the ways PURPA set out to accomplish its goals was through the establishment of a new class of generating facilities, known as qualifying facilities or QFs, which would receive special rate and regulatory treatment.

A QF is a small power producer or cogenerator that meets threshold efficiency standards set forth by FERC pursuant to PURPA. A small power production facility is typically a generating facility of 80 MW or less whose primary energy source is renewable (hydro, wind, or solar), biomass, waste, or geothermal resources.<sup>1</sup> In South Carolina, a QF will typically enter into a contract with a regulated Utility to provide power to that Utility.

### **What QF information is Duke Energy providing?**

Duke Energy is providing the following aggregated information for QFs that were on-line and providing power to Duke Energy through the most recent reporting period (February 2016).

- Type of QF (Solar, Wind, Landfill gas, hydro, etc.)
- MWs
- Number of assets
- Territory (DEP or DEC)

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<sup>1</sup> <http://www.ferc.gov/industries/electric/gen-info/qual-fac/what-is.asp>