Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building, 2nd Floor
Harrisburg, Pennsylvania 17120

July 24, 2014 Docket Number: L-2014-2404361

To the Pennsylvania PUC:

The PUC is planning a new approval process for facilities that are larger than 500 kW. They are proposing a 5X increase in processing times for applications. This results from a doubling from 10 to 20 days for the initial EDC application. Followed by an additional 30 days for the Bureau of Technical Utility Services to process applications. One wonders who the PUC consulted before developing this new plan. Any renewable energy developer would tell them that adding 40 days to the approval process can spell doom for many large projects. The Commission believes otherwise, as evidenced by their closing statement.

We believe that customer-generators who have the capital to invest in these large and more costly systems will have the resources to comply with this review process. In addition, we believe that the total number of such systems applying for net metering in a year will remain relatively small such that it will not burden the EDCs or the Commission.

This "business hostile" stance by the PUC is outrageous. It shows that they either have no understanding of the financing inherent in a large renewable energy project, or that they don't care. They seem more concerned with not burdening either themselves or the electric distribution companies. Clearly the renewable energy developers (and the jobs that they create) are left to fend for themselves in this new application scheme. The PUC is correct in one sense. The number of large projects will be small and manageable, but that is because developers will go elsewhere; along with all of the jobs that they bring to Pennsylvania.

Each year, hundreds of millions of federal dollars flow into states that invest in renewable energy. Countless construction jobs follow as a result. Since the federal subsidies are in the form of tax benefits, most large projects are tied closely to the calendar year for tax planning purposes. Developers often need a six month construction window to ensure completion before the end of the tax year. Unpredictable winter-time weather often shortens this window. This means that all of the work leading up to groundbreaking must occur in the first half of the year. If a month is allocated for client issues prior to executing a contract, two months for bank financing once a site is selected and two months for permitting and planning, there is very little tolerance for delays. The current 10 day window is suitable, and allows ample time for any "course corrections" that become necessary.

Adding a minimum of 40 days to this process is nearly certain to doom most large projects. In reality, the slightest hiccup from the PUC will spell another 30-60 day delay. But even if they could somehow execute to perfection, the project would likely fail. If an investor senses there is a chance that the project will not be complete by December 31st, they will simply choose not to invest. Once the tax equity investor is gone, the bank financing will also crumble. In short, this new system could quite easily spell the end of any large scale net metering projects; at least those above 500 kW.

Regards,

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