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House of Representatibes

Commonwealth of Pennsylvania Harrisburg

April 27, 2015

L-2014-2404361 COMMITTEES

CONSUMER AFFAIRS, CHAIRMAN **INSURANCE** LEGISLATIVE BUDGET & FINANCE

Robert F. Powelson, Chairman Pennsylvania Public Utility Commission Commonwealth Keystone Building 3rd Floor, Room N-308 Harrisburg, PA 17120

Re: Docket L-2014-2404361 Proposed Net Metering Changes

Dear Chairman Powelson:

As Chairman of the House Consumer Affairs Committee and as an individual who has worked in the agricultural industry, I write you today to express my concern over the Commission's proposed rulemaking relating to the Alternative Energy Portfolio Standards Act of 2004 (AEPS).

It has come to my attention that the net metering provisions proposed in the rulemaking will adversely affect the agricultural community, specifically farmers who have invested in anaerobic digesters to manage methane emissions on their farms. By limiting the amount of energy an anaerobic digester may return to the electric grid, the commission may deter other farmers from utilizing this environmentally-friendly technology.

Anaerobic digesters provide farmers with a methane management solution that aids in making their business compliant with current environmental regulations and provides benefits as a renewable source of energy. Digesters also make it possible for farmers to adequately maintain compliancy with air and water quality standards by utilizing efficient manure and odor management techniques. Further, anaerobic digesters are incorporated into Pennsylvania's Chesapeake Bay Watershed Implementation Plan (WIP) as an essential technology needed for the Commonwealth to meet its obligation to reduce nutrient load runoff, manage nutrients and generate further environmental benefits within the Chesapeake Bay Watershed. I am concerned that the proposed net metering provisions will undermine the goals of the WIP, will discourage the use of this technology and will limit the tools available to the Commonwealth to successfully implement the WIP.

While revisions and clarification of the current net metering policy may be necessary, I encourage the Commission to carefully consider the concerns raised by the agricultural industry and issue a final rulemaking order that establishes net metering rules that reflect the uniqueness of this industry and the environmental benefits provided by anaerobic digesters.

There are only 30 of these devises in operation and at a cost of well over one million. Most exist with a high burden of borrowed money.

Sincerely,

Robert W. Godshall, Majority Chairman House Consumer Affairs Committee

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RWG:jh

cc: Gladys Brown, Commissioner James H. Cawley, Commissioner John F. Coleman Jr., Vice Chairman Pamela A. Witmer, Commissioner June Perry, Legislative Liaison

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COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA PUBLIC UTILITY COMMISSION P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

May 1, 2015

The Honorable Robert W. Godshall Chairman, Consumer Affairs Committee PA House of Representatives 150 Main Capitol Harrisburg, PA 17120

Dear Chairman Godshall:

Thank you for your recent letter to Chairman Powelson regarding the Commission's further rulemaking implementing the Alternative Energy Portfolio Standards Act. I am responding on behalf of the Chairman.

As you know, the Commission has been reviewing comments received on its proposed rulemaking at Docket No. L-2014-2404361. At its April 23 Public Meeting, the Commission acted on an Advanced Notice of Final Rulemaking. As IRRC suggested, we are seeking comments on additional revisions to our regulations within 20 days of publication in the <u>Pa. Bulletin</u> on May 9, 2015. I have attached a copy for your use. Please note on page 24 of the document that the Commission did address the issue you raised in your letter regarding the oversizing of anaerobic digesters and the Chesapeake Watershed Implementation Plan.

In addition, I have forwarded your letter to the Commission's Secretary's Bureau for inclusion in the record. The Commission will carefully consider your comments and all the comments received as we move forward on this issue.

Thank you for sharing your concerns on this important issue. If I can be of assistance to you, please do not hesitate to contact my office at 787-3256.

Sincerely,

Inne M. Perry, Director

Office of Legislative Affairs

pc: Chairman Robert F. Powelson
Vice Chairman Coleman
Commissioner Cawley
Commissioner Witmer
Commissioner Brown
Secretary Chiavetta

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