



Pennsylvania Farm Bureau

510 South 31st Street • P.O. Box 8736 • Camp Hill, PA 17001-8736

Phone: (717) 761-2740 • FAX: (717) 731-3515 • www.pfb.com

COPY

February 2, 2005

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
Harrisburg, PA 17105

RECEIVED
2005 FEB - 2 PM 12: 31
SECRETARY'S BUREAU

Re: Docket #L00040168 Advance Notice of Proposed Rulemaking Regarding Small Generation Interconnection Standards and Procedures

On behalf of Pennsylvania Farm Bureau, the state's largest general farming organization with more than 34,000 member families, I offer these comments in response to the advanced notice of proposed rulemaking concerning interconnection for small generation facilities.

Farmers in Pennsylvania have a stake in the outcome of implementation of the Alternative Energy Portfolio Standards Act and decisions made with regard to net metering and interconnection because methane digesters and other farm waste systems will likely become a more common feature on farms of an appropriate scale capable of making these projects cost-effective. While some methane digesters have existed in Pennsylvania since the 1970's, urged on by funding made available through the Energy Harvest Grants, a new wave of farmers are evaluating this technology as an option to reduce odors from manure and provide two valuable by-products: fertilizer and electricity.

Those farmers on the leading edge of implementing this technology, however, have also found that the fees charged by electric distribution companies make actual operation of these digesters cost-prohibitive. Varying by utility, the fees and requirements for interconnectivity have been a major deterrent for farmers wishing to use the energy produced by their digesters. In Pennsylvania, this has resulted in delayed construction for some, while others are simply flaring off biogas that could be used to produce electricity.

We generally support the Commission's efforts to create a statewide standard for interconnection requirements. We believe it is important that net metering and interconnectivity rules be established for farm waste electric generating equipment that generates energy from biogas produced by anaerobic digestion of agricultural waste, including livestock manure, farming wastes and food processing waste. Digesters that are eligible for net metering should be fueled 90 percent by biogas produced from anaerobic digestion, and 75 percent of the feedstock of for

the digester should be livestock manure. Net metering should enable the customer-generator to be credited for electricity at the retail rate for all meters associated with the farm, and annually a net excess generator should be paid, at a minimum, the avoided cost of production.

For purposes of our comments, we encourage the Commission to bear in mind throughout the rulemaking process that minimizing the impact of fees for net metered sources will be crucial to their successful operation. The cost and burden of interconnection requirements should be a concern not only for very small systems under 10 kW, but also be sensitive to farm waste systems will likely be constructed at sizes ranging from 50 kW to 400 kW. The operators of these farm waste systems cannot cost-effectively run a methane digester and provide the many environmental benefits this system provides if interconnection requirements for these systems are too costly or burdensome. While consideration should be given to concerns over safety of utility personnel and reliability of the distribution grid, to fulfill the intent of the legislature and ensure the availability of alternative energy from all sources listed in Tier 1 of the AEPS, the Commission must ensure that any interconnection requirements adopted are absolutely necessary, and that these requirements and the costs associated with them are sensitive to the “in-between” size of many methane digesters.

In this advanced notice of proposed rulemaking, the Commission seeks discussion of the relative merits of procedures that have been developed by other states. We believe New York’s model for net metering interconnection requirements is a strong model for Pennsylvania to follow because these requirements have been developed as part of a net metering law that embraces farm waste systems and recognizes the environmental benefits of these systems in its treatment of them.

In addition to the general guidelines outlined above, the newly updated New Jersey net metering, safety and power quality standards may also be adaptable to Pennsylvania by broadening its application to farm waste systems that meet the use criteria above. We urge that distribution companies not charge any new or additional demand, standby, reservation, customer, minimum monthly, custom billing, interconnection or other charge that would increase an eligible customer-generator’s costs beyond those of other customers in the rate class to which the eligible customer-generator would otherwise be assigned.

Thank you for the opportunity to submit these comments to the public record.

Sincerely,



Carl Shaffer, President