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September 12, 2011

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Re: Net Metering – Use of Third Party Operators  
Docket No. M-2011-2249441

Dear Secretary Chiavetta:

On behalf of EnergyWorks Group, enclosed is the original of its Comments along with the electronic filing confirmation page with regard to the above-referenced matter.

Very truly yours,

  
Daniel Clearfield

DC/lww  
Enclosure



commercial and institutional owners looking for expert management of the energy value chain for their buildings, campuses and facilities. Such partnerships ensure that conservation and other energy-related sustainability objectives are met while freeing owners to concentrate on their core business.

EnergyWorks offers the following comments on the interpretations set forth in the Tentative Order.

First, EnergyWorks submits that the interpretations should be applied only prospectively. This will give developers, operators and customer generators ample opportunity to develop projects and business models that reflect the Commission's policy. A clear statement of prospective application will prevent confusion about whether the Commission's new policy does or does not apply. To this end, EnergyWorks submits that the policy should not be applied to any project where a customer-generator has signed an interconnection agreement or has submitted an application for interconnection with the applicable electric distribution company ("EDC") and the EDC has provided an initial determination that the project is eligible for net metering pursuant to the EDC's existing tariff.

Second, EnergyWorks submits that interpretations should be narrowly tailored to address the Commission's specific concerns. In doing so, EnergyWorks submits that care should be taken to avoid bringing all types of "operator" projects within the scope of the Final Order. There are potential customer-generators who are interested in generating their own power and selling any surplus electricity to an EDC, but lack the technical expertise required to develop, operate and maintain an alternative energy system. Such

potential customer-generators may be unwilling or unable to pursue alternative energy projects if they cannot partner with or use third party developers/operators.

To prevent creating undue barriers to the development of alternative energy systems in the Commonwealth, EnergyWorks believes that the interpretations in the Final Order should not be applied to business models where the customer generator owns the electricity generated by the installed alternative energy system. Such situations are not likely to result in an oversized alternative energy system.

In comparison, business models where the electricity generated by the installed alternative energy system is then sold to the consumer through a power purchase agreement (“PPA”) may create an incentive to use an oversized alternative energy system. Typically, the PPA allows a developer to build, own, operate and maintain an alternative energy generation system on, or near, a customer’s property; and sell power, and possibly alternative energy credits (“AECs”) to that customer. The Commission is clearly concerned with the PPA business model as being “merchant generation,” and the interpretations in the Final Order should be limited to the PPA business model.

Respectfully submitted,



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Date: September 12, 2011