



2014 AUG 30 AM 10:58  
4 28

PA P.O.  
SECRETARY'S BUREAU

U.S. Department of Justice

Federal Bureau of Prisons

Federal Correctional Complex, Allenwood

Federal Correctional Institution  
P. O. Box 2500  
White Deer, PA 17887

July 30, 2014

Pennsylvania Public Utility Commission  
Attn: Ms. Rosemary Chiavetta, Secretary  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RE: Public Comments on Docket No. L-2014-2404361

Dear Secretary Chiavetta:

As a participant in the Commonwealth's net metering program through our 3,200 kilowatt, renewable energy landfill gas project, we read with concern the recent proposed net metering changes published on July 5, 2014 in the Pennsylvania Bulletin.

Our understanding is that the net metering rules were established to promote the use of renewable energy in the Commonwealth under the Alternative Energy Portfolio Standards (AEPS) Act, which "was designed to foster economic development, encourage reliance on more diverse and environmentally friendly sources of energy." In our opinion, however, the proposed changes to the current rules will undermine these objectives and slow the acceptance of these environmentally responsible technologies.

Aspects of the proposed net metering changes are particularly troublesome to institutions, like ours, that are involved in renewable energy projects:

- Utility exclusion - We are concerned that all renewable projects involving "parties in the business of providing electric services" will be disqualified from the net metering program. In many cases, power consumers do not have sufficient access to the capital required or the ability to use tax subsidies for renewable energy projects. Additionally, realizing the value of any environmental attributes (RECs or other credits) can also be difficult for entities that do not normally participate in these markets. Renewable facilities built, owned, and operated by experienced generation companies provide valuable services to the

energy consumer. By selling renewable energy under a power purchase agreement, third party generators secure the necessary financing, reduce the retail customer's exposure to operating and resource risks, and monetize the environmental benefits more efficiently. Recognizing these services, it would be a serious mistake to disqualify a project simply for third party participation by a company that provides electric services;

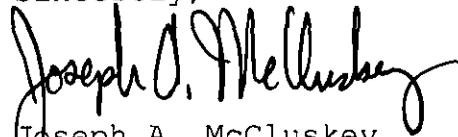
- 110% limitation - While the capital cost of renewable projects, particularly solar, has declined significantly in recent years, these technologies remain higher cost. Given today's market prices for electricity and renewable attributes, a distributed generation project may not be financeable, if its capacity is limited to the load of the retail customer. Additional and retail priced energy sales may be necessary to justify the renewable facility capital investment; and

- Emergency Resource Requirements - "Large" renewable projects (3 MW - 5 MW) can qualify for net metering if PJM can call upon these resources during grid emergencies. By their very nature the intermittent renewable technologies, such as solar and wind, are not suitable for addressing grid emergencies. And, generally, other renewable technologies (biomass, biogas) are operating 24/7 at their maximum capacities. To the extent these projects are producing in excess of their host requirements, energy is already being provided to the grid. So this requirement to limit generation to PJM called emergencies is, effectively, a limitation on renewable project capacity to less than 3MW and not a realistic route to larger (3MW-5MW) projects.

Each of these proposed modifications creates a new hurdle for project development and limits the potential for additional renewable resources for Pennsylvania.

If, however, the Commission does not concur with the arguments provided above, then, at a minimum, it should provide "grandfathering" for power projects that were developed under the current interpretation of the net metering rules. Significant investment decisions, benefiting both the environment and the local economy, were made relying on this understanding. Changing the rules after the fact is unfair to current net metering participants and threatens the viability of their businesses.

Sincerely,



Joseph A. McCluskey  
Senior Attorney

U.S. Department of Justice  
Federal Bureau of Prisons  
Federal Correctional Institution

P.O. Box 2500  
White Deer, PA 17887-2500

Official Business

*Legal  
M*



UNITED STATES POSTAGE  
U.S. OFFICIAL MAIL  
PENALTY FOR  
PRIVATE USE \$300  
Eagle logo  
FINEY BOWMS

02 1M \$ 00.48<sup>0</sup>  
0004208309 JUL 31 2014  
MAILED FROM ZIP CODE 17887

Pennsylvania Public Utility Commission  
Attn: Ms. Rosemary Chiavetta,  
Secretary  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

SECRETARY'S BUREAU  
2014 AUG 4 4 58 AM  
RECEIVED  
AM ID: 58

171053265 8099

