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SECRETARY'S BUREAU

May 15, 2015

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

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

Dear Commissioners:

We read with concern the recent proposed net metering changes published in the Pennsylvania Bulletin on May 9, 2015. We believe these changes put an existing project of ours in jeopardy and will certainly stop our efforts to expand into other renewable energy projects such as food digesters.

Turkey Hill Dairy employs 800 at our manufacturing facility in south-central PA making ice creams and refrigerated teas/lemonades that are sold across the US. We participated in the development of a 3,200 kilowatt landfill gas-to-energy project in Lancaster County along with Lancaster County Solid Waste Management Authority and PPL Renewable Energy. Turkey Hill is a direct recipient of the heat created by the renewable energy plant. The heat is converted to steam which is used to offset diesel fuel typically used in our boilers. This provides significant environmental and community benefits by avoiding the use of over 10,000 gallons of diesel fuel every month, equivalent to not filling up over 650 car fuel tanks.

This 3,200 kilowatt project works because of the unique three company partnership that operates the project and the economic support received under the Commonwealth's net metering program. Even though the Commissioner's commentary says existing net metered installations are grandfathered, the actual proposed language in the order is not clear that all existing net metered installations are grandfathered, including our project.

The issue we've identified is that the actual policy revisions contain a new definition of what is considered a "utility" that is so broad that it appears to negate the chance of grandfathering for any installation. It effectively declares any alternative energy producer that provides power to anyone else is a "utility" — does this make Turkey Hill's/Lancaster County Solid Waste Management Authority's/PPL Renewable Energy's landfill gas-to-energy project a "utility"? A utility is traditionally considered a provider of services for the good of the general public and therefore subject to public utility commission regulations and reporting requirements. A small, locally sited alternative energy system such as ours is simply not a utility by any commonly understood definition.

We suggest the following revisions at minimum to be clear on the intent of the changes:

- Grandfather all existing, approved net metering installations without exceptions
- Add clarity that a "utility" provides services for the public good and whose rates are regulated by the public utility commission

We propose the following changes (shown as underline) to the utility definition to accomplish the clarity needed as stated above:

"Utility—A person or entity that provides electric generation, transmission or distribution services, at wholesale or retail, to other persons or entities for the public good and who are regulated by the public utility commission. AN OWNER OR OPERATOR OF AN EXISTING OR APPROVED NET METERING SYSTEM OR AN OWNER OR OPERATOR OF AN ALTERNATIVE ENERGY SYSTEM THAT IS DESIGNED TO PRODUCE NO MORE THAN 200% OF A CUSTOMER-GENERATOR'S ANNUAL ELECTRIC CONSUMPTION SHALL BE EXEMPT FROM THE DEFINITION OF A UTILITY IN THIS CHAPTER."

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". With the assistance of net metering, this project was built, received the EPA's landfill project of the year award and provides a large portion of the steam needs for our ice cream and drink manufacturing process. In our opinion, however, the proposed changes to the Act may undermine these objectives and slow the acceptance of these environmentally responsible technologies.

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. In addition, it undermines public trust in the Commonwealth and the Commission. Pennsylvania will have difficulty attracting investment, if its announced long term policies are subject to regular revision.

Please consider wording that clarifies existing projects are grandfathered while also supports investment at a local level in other renewable energy projects.

Respectfully Submitted,



John D. Cox
President
Turkey Hill Dairy



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