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May 19, 2015

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

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MAY 20 2015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

Dear Commissioners:

As a participant in the Commonwealth's net metering program through a joint venture 3,200 kilowatt landfill gas-to-energy (LFG) project at our Frey Farm Landfill, we again read with concern the most recent proposed net metering changes published on April 23, 2015.

We appreciate the commissioners' response and revisions based on comments provided by ourselves and others in regards to grandfathering existing and approved net metered systems. However, insofar as our landfill gas-to-energy project is a joint partnership between LCSWMA, PPL Renewable Energy (PPLRE), and Turkey Hill Dairy, with PPLRE as the project owner, we remain gravely concerned that the ruling would disallow the continued participation of our landfill gas-to-energy project in the net metering program based on the revised definition of a "utility." Such action would have numerous detrimental impacts:

1. First, it would require the project partners to file a new interconnection application to PJM, which would preclude operation of the LFG plant for upwards of a year. Not only would this result in lost revenue to LCSWMA, since we would have to flare the gas instead of selling it, it would also harm Turkey Hill Dairy, who relies on the steam generated by the LFG plant to offset diesel fuel purchase at its manufacturing operation. The result would be over \$50,000 in lost revenue to LCSWMA and exposure of Turkey Hill Dairy to market prices for 140,000 gallons of diesel fuel. Additionally, it would result in negative environmental impacts through the release of 1,567 tons of unnecessary CO<sub>2</sub> emissions.
2. LCSWMA, PPLRE, and Turkey Hill Dairy have already invested over \$160,000 evaluating the feasibility of an anaerobic digester to supplement the LFG project by providing additional methane gas to increase the electrical output from the LFG engines. The digester will generate gas to produce an additional 1-2MW of output to help the LFG project reach its designed capacity, while also providing numerous environmental benefits by diverting over 26,000 tons of organic waste annually for renewable energy production. The business model for the digester was developed assuming the continued participation of the LFG project in the Commonwealth's net metering program. PUC's proposed ruling would terminate the feasibility of this project by making it financially unviable for the partners, precluding more than 7,800,000 kWh of additional Tier I renewable energy generation from reaching the grid and resulting in the partners' withdraw of \$8,000,000 in capital that would have otherwise been invested in the local economy through the completion of this project.

Disallowing this project's continued participation in the net metering program and foiling the development of the digester project would have grave impacts on the continued financial viability of the Frey Farm Landfill gas-to-energy facility, which was recognized as US EPA's Landfill Methane Outreach Program (LMOP) Project of the Year in 2006.

*\* According to the EIA, 22.38 pounds of CO<sub>2</sub> are produced by burning a gallon of diesel fuel.*

As a combined heat and power project with three partners, the Frey Farm Landfill gas-to-energy project provides significant environmental and economic benefits to LCSWMA, PPLRE, and Turkey Hill Dairy, as well as the larger community. It is showcased as a main feature on numerous public tours to highlight the advantages of inter-company renewable energy ventures, and has garnered the unwavering support of area government officials and community leaders.

While we understand and appreciate the ultimate intent to clarify Net Metering participation via Docket L-2014-2404361, it is imperative that existing projects be grandfathered, without exception. Of the hundreds of projects that qualify for participation in the Commonwealth's Net Metering program, PUC's proposed revisions will have detrimental impacts on a small handful of great renewable energy generation projects, like LCSWMA's, which were developed in accordance with the original rules and for which considerable capital was expended.

#### Revisions

We respectfully request the following revisions Docket L-2014-2404361:

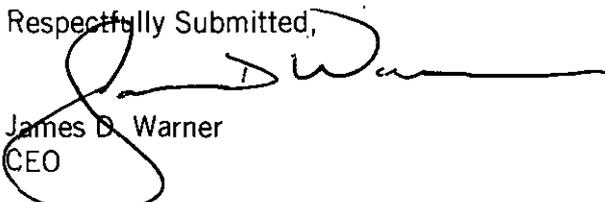
- First, grandfather all existing, approved net metering installations without exception
- Add clarity that a "utility" provides services for the public good and whose rates are regulated by the public utility commission. We propose the following changes (shown as underline) to the utility definition:

"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." In our opinion, however, the proposed changes to the Act will undermine these objectives and slow the acceptance of these environmentally responsible technologies (ex. digester project).

Significant investment decisions, benefiting both the environment and the local economy, were made, relying on this understanding. As we have stated before, 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 revisions that can negate standing business models. A timely response to the concerns noted above (grandfathering of all existing net metered installations) to my attention would be appreciated.

Respectfully Submitted,



James D. Warner  
CEO

Cc: Senator Lloyd Smucker

# FREY FARM LANDFILL GAS-TO-ENERGY FACILITY



**FIGURE 4: Steam line to Turkey Hill Dairy**



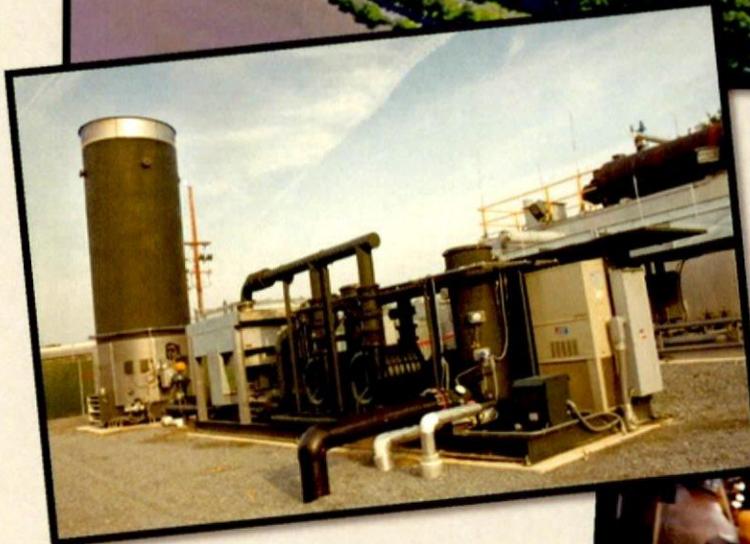
**FIGURE 5: Project partners accept U.S. EPA's Landfill Methane Outreach Program 2006 Project of the Year Award**



# FREY FARM LANDFILL GAS-TO-ENERGY FACILITY



**FIGURE 1: Frey Farm Landfill**

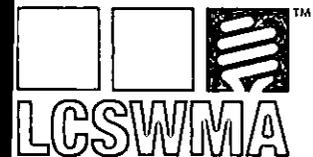


**FIGURE 2: 3.2 MW Landfill Gas-to-Energy Facility**



**FIGURE 3: 1.6 MW Caterpillar engines**

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