

Commissioners:
TONY R. MUSSARE
Chairman
ERNEST P. LARSON
Vice Chairman
JEFF W. RAUFF
Secretary



COUNTY of LYCOMING
48 WEST THIRD STREET
WILLIAMSPORT, PA 17701

L-2014-2404361

MATTHEW A. McDERMOTT
*Director of Administration
and Chief Clerk*

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May 27, 2015

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 28 2015

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Commissioners:

We have previously submitted comments in a letter dated May 1, 2015 regarding the proposed rulemaking order as published in the Pennsylvania Bulletin on May 9, 2015. Lycoming County is very concerned based on further discussions with PUC personnel that grandfathering of all existing net metered installations may not occur and strand the County and our partner PPLRE of capital investments made.

We suggested language to assure that existing renewable energy projects currently net metered are grandfathered as was stated as the intention by the Commission.

Lycoming filed an application to become an Electricity Generation Supplier (EGS) during our project development; however it was determined that the County wasn't a "Utility" as our application submitted in 2012 was requested to be returned after review by the PUC. The letter from Secretary Chiavetta is attached for your convenience.

The Commonwealth's net metering program is intended for "non-utilities," and landfill gas projects were clearly given Non-Utility status in the declaratory Order issued September 8, 2004 in regard to Granger Energy's petition to the Commission. In fact the following is an excerpt from that conclusion written by James J. McNulty, Secretary "Having determined that landfill gas service can reasonably be considered as a public utility service under 66 Pa. C.S. § 102, we nonetheless recognize that regulation of this service may slow the growth of the evolving landfill gas market. The Commonwealth and this Commission support the use of alternate fuels especially renewable resources such as landfill gas. We understand that some form of disposal of landfill gas is

necessary for safety and environmental reasons, and that the utilization of landfill gas as a fuel converts a pollutant into a beneficial energy source. (Granger St. 2 at 7-9). While large scale landfill gas service may be subject to our Code and Regulations, we recognize that it is a unique fuel source and wish to regulate this industry in a manner which encourages growth and development of the market for this renewable resource.”

The County would like to further state that our development occurred as follows:

- In 1993, the County started capturing landfill gas, installed 2 engines and generated 1.1 MW of renewable energy that went to county buildings with excess power going to the local utility, PPL Electric Utilities, under a long term purchase agreement.
- In 2010, the utility purchase agreement expired and the County started participation in net metering program with its 1.1 MW of engines
- As the Federal Government is now required to meet a portion of their electric load with renewable energy, the Federal Bureau of Prisons and the County executed, in 2010, a long term purchase agreement for the supply of landfill gas fueled electricity to the Allenwood prison. Two 1.6 MW engines would need to be installed and a power line constructed to satisfy this commitment.
- As gas volumes were expected to continue to grow, sufficient fuel for a second power project (also two 1.6 MW engines) would be available. This project would replace the original 1.1 MW facility and provide electric energy and heat for the County’s landfill operations. Excess electricity from this project would be delivered to the local utility.
- In 2010, the County issued a request for proposals to develop a landfill gas project. The County recognized that the investment and additional personnel to operate the larger facility may be better served by a private investor than solely themselves. The County determined it would manage the landfill gas extraction system and sell landfill gas to the successful bidder as the investment in a larger project that needed additional employees and carried contractual obligations and expertise to tie into the FBOP electrical service was better accomplished by firms specialized in this business. Developers made bids based upon investments in these two potential projects. The larger plant with significant capital, combined with assumed net metering pricing for these projects seemed justified.
- In 2011, the County selected PPL Renewable Energy (PPLRE) to be the developer of both projects.
- The County owns and operates the landfill, the landfill gas extraction system, and all the heat exchangers and the electric line that delivers the electric to FBOP. Plus the County owns the power plant building that the generators are housed in. PPL Renewable Energy owns and operates both power projects and maintains the electric line to FBOP. PPL Renewable Energy is the retail customer of record under the utility meter for the County project while the FBOP is the retail customer of record under its project.

The County and PPLRE are integral partners in this investment and both are interdependent upon the other for the success of the project, which our structure of the project has been recognized nationally and awarded by US EPA Landfill Methane Outreach Program.

We reiterate 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.

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.

A timely response to the concerns noted above (grandfathering of all existing net metered installations) to my attention would be appreciated.

Respectfully Submitted,



Tony Mussare, Chairman
Lycoming County Commissioners

CC: Jeff Rauff, Lycoming County Commissioner
Ernie Larson, Lycoming County Commissioner
Matt McDermott, Director of Administration Lycoming County of Lycoming
Gene Yaw, Pennsylvania State Senator 23rd District
Garth Everett, Pennsylvania House of Representatives 84th District
R. Stephen Tucker, Lycoming County RMS
Steve Gabrielle, PPLRE Vice President Asset Management
Michael Hnatin, PE, Lycoming County RMS
Bonnie Fink, Dep. Dir./Bus. Mgr. Lycoming County RMS

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SECRETARY'S BUREAU

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Form 10/11

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