

Commonwealth of Pennsylvania



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INDEPENDENT REGULATORY
REVIEW COMMISSION

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
DENNIS C WOLFF

SECRETARY'S BUREAU

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April 3, 2006

Secretary James J McNulty
The Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: Comments by the Pennsylvania Department of Agriculture Regarding
Docket No. L-00050174/M-00051865 (Proposed Rulemaking Re Net
Metering for Customer-generators pursuant to Section 5 of the Alternative
Energy Portfolio Standards Act, 73 P.S. 1648.5)**

Dear Secretary McNulty:

On behalf of the Pennsylvania Department of Agriculture, and the Governor's Renewable Agriculture Energy Council, I would like to thank and commend the Public Utility Commission for the opportunity to submit the following comments regarding proposed rulemaking involving net metering for customer-generators pursuant to Section 5 of the Alternative Energy Portfolio Standards Act. The Commission's leadership on this issue is appreciated and I thank you and your staff for your recent efforts which will encourage and support additional efforts at renewable energy development on Pennsylvania farms.

The Department recognizes that the proposed rulemaking would allow the benefits of renewable energy generated on the farm through net metering to be realized by the farmer and not just the utility. I would offer the following suggestions that would I believe improve these regulations and make the feasibility of manure digestion and electricity generation on farms more realistic and affordable for farmers.

To get a sound understanding on the impacts of these regulations on farms utilizing or considering manure digesters, our Agency recently surveyed 26 farms in the Commonwealth that either have manure digester operating, under construction or in the planning stages. Twenty-one farm businesses responded to our survey. Those

respondents indicated that amongst themselves there are 148 individual meters involved. That represents an average of seven meters per farm, and with an average of three rate classes per farm. One farm reported 20 meters being utilized in the operation. Nineteen of the 21 farm operations have multiple farms that are not contiguous tracts of agricultural lands. Our survey clearly demonstrates the need to include all meters regardless of rate classification and geographic location of the farms involved in the operation to make the on-farm generation of electricity practical and affordable for the farmer who chooses to make the investment in a manure digester.

The current proposal allows for physical and virtual meter aggregation defined as: "the combination of readings and billing for all meters in a particular rate class on contiguous and adjacent properties owned and operated by a customer-generator." It is very important to recognize that this language does not reflect modern agricultural businesses and farms; therefore, it is essential that meter aggregation include all farms involved in the operation regardless of property ownership or geographic location.

Our survey work also generated considerable interest to ensure that these proposed regulations accurately provide for farmers to be credited for stranded cost through net metering. The inclusion of such language will greatly increase economic incentives for farmers to invest in on-farm generation of electricity. With a potential of 50-60 bio-digesters to be developed on Pennsylvania livestock farms within the foreseeable future, and with the potential of less than 10 megawatts total production, I believe language within the regulations specifying such credits for stranded costs to be prudent and feasible for utilities.

Thank you for your leadership and for taking the necessary steps to ensure the future of renewable electricity generation on Pennsylvania livestock farms. It is my hope that you will make such changes as recommended above to provide farmers with the full benefits of net metering as was intended under the Alternative Energy Portfolio Standards Act.

Sincerely,

A handwritten signature in black ink, appearing to read "D Wolff", written in a cursive style.

Dennis C Wolff