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INDEPENDENT REGULATORY
REVIEW COMMISSION

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

April 3, 2006

**RE: Implementation of the Alternative Energy Portfolio Standards Act of 2004:
Net Metering; M-00051865**

Dear Secretary McNulty:

On behalf of the Pennsylvania Delegation to the Chesapeake Bay Commission, I want to thank the Public Utility Commission for the opportunity to comment on its proposed net metering regulations in furtherance of the Alternative Energy Portfolio Standards Act of 2004. The Delegation has been supportive of alternative energy development for many reasons, including diversification of energy sources, benefits to agriculture and the rural economy, and environmental improvement.

We are pleased to see the progress of net metering and the growing awareness of its importance to successful development of alternative energy sources. However, we are concerned that the proposed regulations still do not provide for a net metering system that will be meaningful. Specifically, we object to the provisions of proposed § 75.14 (e), which restrict aggregation to one rate class and to contiguous and adjacent properties both owned and operated by the customer-generator.

In today's agriculture, siblings and extended family frequently operate as one farm unit and often farm nearby yet non-contiguous properties as they support multiple households. By limiting net metering to only contiguous and adjacent properties and within one rate class, the fraction of net metering potential that remains will often make on-farm electricity generation infeasible, defeating the intent of the Act and these proposed rules.

Manure-to-energy and other biomass-to-energy projects are important to the Commonwealth's efforts to achieve water quality improvements both locally and in the Chesapeake Bay. Furthermore, such projects improve the agricultural economy, helping farmers to achieve additional nutrient and sediment reduction goals. For these reasons, in addition to other benefits of distributed generation, it is important to have a net metering system that meaningfully facilitates on-farm projects.

Thank you for your consideration of these comments. If you have any questions, please contact our Pennsylvania Director, Marel Raub, at 717-772-3651 or marelraub@covad.net.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Waugh". The signature is stylized and somewhat cursive, with the first name "Michael" being more legible than the last name "Waugh".

Sen. Michael L. Waugh
Pennsylvania Chair

Cc: Carrie Beale