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**TESTIMONY  
BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
April 25, 2006**

*Presented by*  
**Dennis C Wolff, Secretary  
Pennsylvania Department of Agriculture**

*Regarding*  
**Docket No. L-00050175/M-00051865  
Proposed Rulemaking re. Alternative Energy Portfolio Standards;  
Interconnection Standards for Customer-Generators**

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On behalf of the Pennsylvania Department of Agriculture, I would like to thank you for the opportunity to share some thoughts on Interconnection Standards. I commend the Commission for positively addressing this issue along with the net metering regulations. Both issues are extremely important to sectors of our agricultural industry, and the interconnection standards will allow the agricultural community to participate in clean distributed generation that is vital to our economy and the environment. There has been great progress on these issues, but there are still several barriers that will discourage Pennsylvania's farmers from participating.

The Department is concerned that proposed rulemaking does not adequately encourage the development of alternative energy resources as originally intended by Act 213. One concern in particular is the issue of the proposed insurance requirements. Many rural land owners do not have the necessary capital to invest in additional forms of insurance. If additional insurance is required it may discourage farmers from investing in clean energy projects. The proposed net metering regulations state that "insurance may not be required by an EDC," and therefore I would recommend that the Commission follow the interconnection standards that New Jersey has set forth. These standards do not call for additional insurance requirements.

In addition, the Commission should allow for Level 2 review for non-inverter based equipment under appropriate conditions. Pennsylvania should not adopt interconnection rules that automatically require a more extensive, timely, and expensive Level 3 review on non-inverter based interconnection applications. Automatically requiring Level 3 review for non-inverter based systems creates a barrier for many types of systems such as farm-based methane digesters that Act 213 is explicitly designed to support. This would create an unwarranted and unfair burden to the agricultural community and should be removed from the proposed rule. I have heard from numerous agricultural operations within the Commonwealth who are very concerned about Level 3 review requirements—and that those requirements could halt their renewable energy projects in their tracks.

On behalf of the Pennsylvania Department of Agriculture and the Commonwealth's agricultural community, I would urge the Commission to revise these regulations so they encourage the installation of distributed generation and not discourage the customer-generator.

Thank you.