

The Pennsylvania Public Utility Commission
Attn.: Secretary
P.O. Box 3265
Harrisburg, PA 17105-3265.

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Comments Of
(NativeEnergy, LLC)

APR 25 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

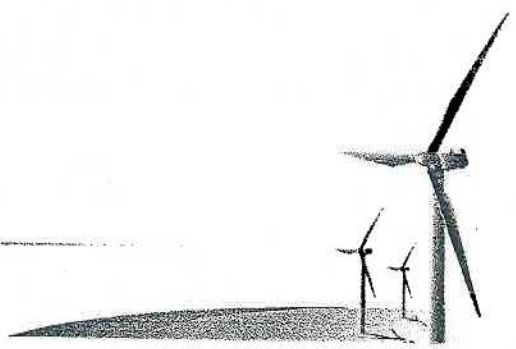
Regarding
Docket No. L-00050175/M-00051865
Proposed Rulemaking Re Alternative Energy Portfolio Standards;
Interconnection Standards for Customer-Generators

Thank you for your continuing efforts to encourage new sources of clean energy in Pennsylvania. We commend the Commission and staff for positively addressing interconnection, especially to allow for the agricultural community to participate in clean distributed generation that will benefit our economy and environment. The existing rulemaking while easing our ability to interconnect these resources still leaves several barriers that will hamper our ability to participate.

The Commission's proposed rulemaking does not adequately encourage the development of alternative energy resources as originally intended by Act 213. We are concerned that the proposed rulemaking still includes several barriers to developing renewable energy resources on our land. Of particular concern is the issue of insurance requirements. Many rural landowners do not have the necessary capital to invest in additional forms of insurance. If this is required in the regulations it will become difficult for farmers to invest in clean energy projects.

We would like to remind the Commission that the net metering regulations state that "insurance may not be required by an EDC." We therefore recommend that the Commission follow New Jersey's interconnection standards, which do not permit additional insurance requirements. New York State, which ranks just ahead of Pennsylvania as third in U.S. milk production, also has a net metering regulation that favors distributed generation on its farms, and in its interconnection standard states that insurance may not be required by an EDC.

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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 farming community and should be removed from the proposed rule.

We ask the Commission going forward to revise these regulations so they properly encourage the installation of distributed generation and do not discriminate the customer-generator.

Thank you for your consideration.

Sincerely,

George F. Hoguet

George F. Hoguet,
Director, Mid-Atlantic Operations
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