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LEHIGH COUNTY AUTHORITY

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May 13, 2016

Independent Regulatory Review Commission
333 Market Street
Harrisburg, PA 17101
Attention: Chairman George D. Bedwick

2016 MAY 13 PM 2:15

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IRRC

RE: Implementation of the Alternative Energy Portfolio Standards (AEPS) Act of 2004
Pennsylvania Public Utility Commission Regulation No. 57-304
Independent Regulatory Review Commission ("IRRC") No. 3061

Dear Chairman Bedwick,

Lehigh County Authority (LCA) read with concern the final ruling passed by the Pennsylvania Public Utility Commission on February 11, 2016 regarding implementation of the Alternative Energy Portfolio Standards. We request that the Independent Regulatory Review Commission disapprove this final rulemaking and advocate for consideration of the comments and suggested changes that were provided previously by many parties, but not incorporated into the final rule.

LCA's concerns stem primarily from our wastewater treatment plant operations in Lehigh County and the potential to develop beneficial reuse of digester gas produced through our normal plant operations. By converting digester gas into energy, we can eliminate or significantly reduce the dispersion of this gas into the environment through our current practice of flaring this gas. We believe this type of project fits well within the intent of the AEPS Act which "was designed to foster economic development, encourage reliance on more diverse and environmentally friendly sources of energy."

However, implementation rules of the PAPUC would render such a project to be highly unworkable for LCA for two primary reasons:

1. The rule's definition of what is considered a "utility" includes "A person or entity that provides electric generation, transmission or distribution services, at wholesale or retail, to other persons or entities." The broad language used in this definition would capture

Every drop matters. Every customer counts.

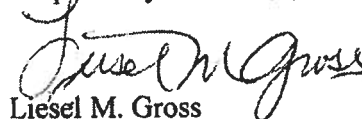
most scenarios in which LCA might proceed with implementing a project to convert our digester gas to energy. LCA's expertise is in the field of public water and wastewater service, not energy production. Therefore, we envision relying on third-party owner/operators to make such an alternative energy program work for us and be successful in achieving our "green" initiatives. We believe that a small, on-site alternative energy system is simply not a "utility," but would become classified as one under this new rulemaking. This new "utility" definition in conjunction with the revised customer-generator definition (which goes beyond the statutory language) does not support the AEPS Act's intent to promote renewable generation.

2. LCA's second concern remains with the establishment of a 200% generation cap when the AEPS Act already has clearly established and specific kilowatt caps (50 kW, 3 MW or 5 MW) for specified systems. How can a secondary cap that limits the plain language in the Act be justified? This secondary cap in conjunction with the new and revised definitions above again does not promote alternative energy resources. In the case of a wastewater treatment plant generating renewable energy through the beneficial reuse of digester gas, the caps could likely result in additional continued flaring of this renewable resource to ensure energy production remains under the cap, rather than achieving the environmental benefits intended by the AEPS Act.

We ask for the IRRC to disapprove the PAPUC's final rulemaking and advocate for the comments above to be considered in future plans to properly implement the AEPS Act so that the intended environmental benefits may be achieved.

Thank you for your consideration of our comments.

Respectfully Submitted,



Liesel M. Gross

Chief Executive Officer