

3061

EMBARGOED MATERIAL

Kathy Cooper

From: Rashi Akki <rashi.akki@aggridenergy.com>
Sent: Tuesday, June 28, 2016 11:52 AM
To: IRRRC
Subject: PUC Rulemaking on Net Metering
Attachments: AgGrid Letter to IRRRC regarding net-metering.pdf

Chairman Bedwick,

Ag-Grid Energy LLC recently formed in order to invest in renewable energy and environmental improvement projects in the State of Pennsylvania. We are concerned that the new language in the PUC's amended final rulemaking order (# 57-304 (IRRC # 3061) "Implementation of the Alternative Energy Portfolio Standards Act of 2004") will damage our ability to make investments in Pennsylvania for the purposes of creating renewable energy, pollution control and improvement in the quality of Chesapeake Bay

Our concerns are as follows:

- 1) Definition of a Utility (Section 75.1 Definitions)
- 2) Definition of Biomass (Section 75.1 Definitions)
- 3) Requirements for "independent load" (Section 75.13 General provisions)
- 4) Definition of "merchant scale" or "merchant generator" (not in regulation)

Please see the note attached that outlines our proposal of how we would like the language to be modified in regulations going forward.

Appreciate your support and consideration
Thank you
Rashi

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Ag-Grid Energy LLC
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June 28, 2016

Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

RE: IRRC #3061
PUC Docket #L-2014-2404361

IRRC Commissioners:

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Definition of a Utility (Section 75.1 Definitions)

We propose the change of definition of Utility to include customer generators. We question if "any entity or person that generates electricity" can be used to disqualify entities from the benefits of net-metering?

We suggest including the following wording: **THIS TERM EXCLUDES CUSTOMER-GENERATORS GENERATING LESS THAN 3 MW** so that the definition of "utility" will read as follows,

Utility—A person or entity that provides electric generation, transmission or distribution services, at wholesale or retail, to other persons or entities. **THIS TERM EXCLUDES CUSTOMER-GENERATORS GENERATING LESS THAN 3 MW AND BUILDING OR FACILITY OWNERS OR OPERATORS THAT MANAGE THE INTERNAL DISTRIBUTION SYSTEM SERVING SUCH BUILDING OR FACILITY AND THAT SUPPLY ELECTRIC POWER AND OTHER RELATED POWER SERVICES TO OCCUPANTS OF THE BUILDING OR FACILITY.**

Definition of Biomass (Section 75.1 Definitions)

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Most of New England is diverting organic waste from landfills. Pennsylvania favors this approach for protecting the Chesapeake Bay. **Ag-Grid Energy LLC** is developing a Spent Mushroom Substrate for the production of electricity. We believe the definition of “biomass” could restrict our planned SMS project from net-metering. We suggest modifying the definition of (vii) Biomass energy as follows: **(D) Generation of electricity utilizing by-products from farms such as animal manure, and high strength organic material like pre-consumer, excess or post-consumer food waste and spent mushroom substrate.**

Requirements for “independent load” (Section 75.13 General provisions)

Our proposed Spent Mushroom Substrate digester system will be located on a Greenfield land lots. This project will have very little load independent of the digester system. Will this project be necessarily restricted from participation in net-metering?


Request: If the “independent load” requirement is upheld, **Ag Grid Energy LLC** requests the PUC develop a standardized Power Purchase Agreement (PPA) for Customer-Generators who would otherwise meet all requirements for net-metering save for having an “independent load.” For generators that qualify, the PPA price for electricity will be valued the same as net-metered electricity.

Definition of “merchant scale” “merchant generator” (not in regulation)

The PUC loosely uses the term “merchant scale” (pg 35 paragraph 1) as all-encompassing and synonymous with customer generators. RCM asserts that by definition in the rulemaking, a “customer-generator...not larger than 3000 kW” is not categorically a “merchant scale” system. Conventionally, merchant generation and storage plants have been large scale – usually dozens or hundreds of MegaWatts (MW).

Request: **Ag-Grid Energy LLC** requests that the PUC define “merchant generator.” We assert that any system of 3 MW or less not be classified or referred to as merchant scale.

Sincerely,



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