#3061

Independent Regulatory Review Commission
Public Meeting – June 20, 2016

Testimony Of

Ron Celentano
Pennsylvania Solar Energy Industries Association (PASEIA)

Regarding

Pennsylvania Public Utility Commission's Amended Final Rulemaking Order Revising Regulations Implementing the Alternative Portfolio Standards Act of 2004

PUC Regulation No. 57304
PUC Docket No. L20142404361
IRRC No. 3061

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Good morning Chairman Bedwick and fellow Commissioners. My name is Ron Celentano, President of Pennsylvania Solar Energy Industries Association ("PASEIA") - a Division of the Mid-Atlantic Solar Energy Industries Association ("MSEIA") where I also voluntarily serve as Vice President. MSEIA is a not-for-profit trade association made up of businesses and professionals working in Pennsylvania, New Jersey and Delaware involved in the development, manufacturing, design, construction and installation of solar photovoltaic (PV) and solar thermal systems. I am also a solar PV industry consultant with my company, Celentano Energy Services.

Thank you for this opportunity to testify with regard to the Public Utility Commission's ("PUC") amended final rulemaking order, where revisions pertain to net metering, interconnection, and provisions in the Alternate Energy Portfolio Standards ("AEPS") Act.

PASEIA is part of the coalition of Solar Energy and Environmental Advocates that have resubmitted comments to the Independent Regulatory Review Commission ("IRRC") – again, in opposition to the PUC's revisions to the AEPS. We strongly urge the IRRC to disapprove this amended final order as it is still not in the public interest.

PASEIA very much appreciates the IRRC's decision to disapprove the PUC's final rulemaking order on May 19, 2016, based on the PUC not having the authority to impose an addition generator capacity requirement limited to no more than 200% of the annual load, as this was not consistent with the AEPS Act. And we also thank the PUC for removing this language in its entirety in the amended final regulation. However, two very critical topics still remain in the amended order, which are detrimental to the growth, as well as to the existing solar market,

in particular. These include the potential of imposing a fee for net metering customer-generators, and the requirement that there needs to be an existing measurable load at the point of interconnection, particularly for virtual meter aggregation applications, also known as virtual net metering.

Although the PUC states that the amended rulemaking does not specifically include new fees for customer-generators, rather the intention is to "*put all parties on notice of the possibility of fees*", this clearly implies that the PUC intends to impose new fees or allow the electric distribution companies ("EDC") to add on fees. This language is extremely ambiguous, as it implies there can be a fee in the future for customer-generators – with no basis of how the fee is determined, when it could take place or give any sense of how much it could be. Consequently, this ambiguity will have a negative impact on growing the solar market, because there will be economic uncertainty with the investment. But, most importantly, the PUC has no authority to impose new fees for customer-generators, as the current statute states that customer-generators "*shall receive full retail value for all the energy produced on an annual basis*". Clearly, imposing a new fee will result in the customer-generator receiving less than the full retail value. Thus this regulatory language is inconsistent with the statute.

Regarding the PUC's newly added requirement of having an existing measurable load for virtual meter aggregation, the current statute states, "*virtual meter aggregation on properties owned or leased and operated by a customer generator and located within two miles of the boundaries of the customer generator's property and within a single electric distribution company's service territory shall be eligible for net metering.*" That's it – yet the PUC insists on stepping well beyond its authority to create more restrictive criteria for being already eligible within the law.

Interconnecting at a point where there is no existing measurable load for a solar virtual net metering application is relatively rare, mostly because it's the last resort for a customer to implement a solar system, either because its prohibitively expensive or simply impossible to trench or run wire between the solar array and the existing service. PASEIA believes there should be accounts/meters for all the pertinent locations for a given virtual meter aggregation application – though not all the accounts/meters need to already exist, nor do they all need to have measurable loads. Virtual meter aggregation inherently implies the collective of the group of accounts, such that at least one of those accounts has a measurable load.

The current language in the amended rulemaking, with regard to the two very concerning issues discussed above will unjustifiably restrict the grown of the solar market – which is simply not in the public interest. Therefore, we strongly urge the IRRC to disapprove the PUC's amended final rulemaking.

Comments before the IRRC
The definition of "utility"
Presented by Larry Moyer
June 30, 2016

Thank you for this second opportunity to come before this Commission and present my concerns. When I came before you on May 19, I said that I was "worried". I was worried that my system would be disqualified by the independent load requirement. That worry is still there, to be sure, but now I'm not only worried --- I'm alarmed. I'm alarmed at the PUC's definition of a "utility".

One month ago, I was a "customer-generator". I was a nonutility owner and operator of a renewable generating system. The Amended Final Rulemaking order has changed all that.

The previous Rulemaking Order, as presented on May 19, included a new definition for "utility". In that definition, it included a "200% rule" which set a limit on generation. It also provided an "exemption" for small systems like mine which generates well under 200% of my use.

After disapproval of the Final Rulemaking Order, the PUC removed the "200% rule". Unfortunately, it also removed my exemption. According to the revised definition, a "utility" is now simply

> ***A person or entity that provides electric generation~~, transmission or distribution services, at wholesale or retail~~, to other persons or entities.*****(75.1-"utility")**

On two occasions I provided electric generation to another entity. In 2013 and in 2015, my system generated more electricity than I used. The total generation was well below 200%, but the excess was provided to PPL Electric at the price to compare.

One month ago, I was a "customer-generator", but today I am a "utility".

With the new definition, I'm having something of an identity crisis. For years I've been told that I was a customer-generator, a "nonutility" owner of a net metered generating system. By the new definition, I've suddenly become a "utility".

Frankly, I was quite happy with my former status, and I hope you'll help to restore me to that status again. I urge you to disapprove this Amended Final Rulemaking Order of the Public Utility Commission.