

ROBERT M. TOMLINSON

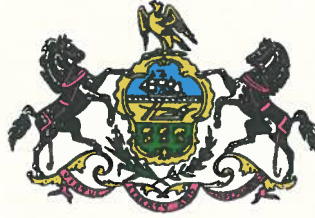
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Senate of Pennsylvania

May 18, 2016

3061

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George D. Bedwick, Chairman
PA Independent Regulatory Review Commission
14th Floor, Harrisstown 2
333 Market Street
Harrisburg, PA 17101

Re: **IRRC Number 3061**
Pennsylvania Public Utility Commission Regulation No. 57-304
Implementation of the Alternative Energy Portfolio Standards Act of 2004; Docket
No. L-2014-2404361

Dear Chairman Bedwick:

It has come to my attention that the Independent Regulatory Review Commission (IRRC) will be reviewing the Public Utility Commission's (PUC or Commission) net metering rulemaking referenced above (Rulemaking) on Thursday, May 19th. This Rulemaking updates several of the Commission's regulations implementing the Alternative Energy Portfolio Standards Act of 2004 (AEPS Act).

The AEPS Act encourages the development of renewable generation sources within the Commonwealth by incentivizing the construction and use of alternative energy systems. One of these incentives is the "net-metering" rule which states that customer-generators shall receive full retail value for all excess generation produced from alternative energy systems. In an effort to balance the Commonwealth's policy of promoting the development of renewable generation sources with the Commission's mandate of maintaining affordable and reliable electricity service for customers, the Commission adopted this Rulemaking to set forth proposed conditions required for certain systems to qualify for the benefits of net metering.

The conditions set forth in the Commission's Rulemaking, particularly the 200% limitation on alternative energy systems eligible for net metering, merely prevent oversized alternative energy systems from becoming a source of income which is unreasonably subsidized by other ratepayers within the Commonwealth. Specifically, the 200% limitation will prohibit oversized systems from exploiting ratepayers by generating electricity well beyond that needed to offset their own

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electricity requirements. Rather than “gaming the system” to the disadvantage of other ratepayers, oversized systems that go beyond the 200% limitation will be required to receive value on the wholesale market. As such, this limitation will have little to no impact on appropriately-sized customer-generators using their excess generation to simply offset their electricity needs. These conditions will not act to discourage the responsible development of renewable generation sources within the Commonwealth and only serve to provide adequate customer protections for all ratepayers.

It is also worth noting the public input process that occurred during the approximately two-year rulemaking process before final IRRC consideration of this Rulemaking. During this rulemaking process, the Commission spent countless hours considering all of the comments received from an almost unprecedented number of stakeholders from diverse industries. The Commission carefully reviewed all of the comments received and completed multiple rounds of revisions to their proposed regulations. As a result of this input process, I believe that the Commission adequately and appropriately balanced all stakeholder interests, including those of the agricultural community, in adopting their final Rulemaking Order.

I firmly believe that the Commission has taken the appropriate steps in this rulemaking process to protect consumers while ensuring the long-term viability of renewable energy deployment and investment here in the Commonwealth. Left unexamined and unchecked, ratepayers will continue to see upward pressure on their bills because net-metering benefits are socialized across all customer classes.

I trust this letter helps you better understand why I support the Commission’s Rulemaking and hope you will consider my position.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Tomlinson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robert M. Tomlinson
State Senator, 6th District

RMT/jah

cc: Commissioners, PA Independent Regulatory Review Commission