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L & S SWEETENERS

L & S Sweeteners is a division of Zook Molasses Company
and a sister company of Good Food, Inc.

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Leola, PA 17540

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2014 AUG 14 PM 12:03

Transloading
> Liquid and Dry
Food Ingredients

Blending
> Sucrose
> Special Blends
Services
> Internal Truck Wash
> Truck Scale
> Fuel

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AUG 05 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Proposed Rulemaking; Implementation of the Alternative Energy Portfolio Standards Act of 2004
PUC Docket No. L-2014-2404361

To the Pennsylvania Public Utility Commission:

L&S Sweeteners (L&S), a division of Zook Molasses Company, is concerned that the proposed regulations will fundamentally harm our existing renewable energy project. Let me explain.

L&S is located in Leola, Lancaster County.¹ L&S started in 1985 to serve the expanding needs of the sweeteners market and its sister company, Good Food Inc.² Since then, L&S Sweeteners has become one of the Northeast's largest processing facilities of bulk sweeteners. Our well-equipped, state of the art rail service has made us a terminal hub to the world's best and largest refining companies.

Our renewable energy project was completed and was fully operational in April 2014. L&S is an electric customer of PPL Electric Utilities (PPL). L&S uses landfill gas from the Lanchester Landfill in Chester County, Pennsylvania and/or the Conestoga Landfill in Berks County, Pennsylvania. That landfill gas is prepared for beneficial use³ by Granger Energy.⁴ Once prepared for use, Granger supplies the landfill gas to L&S where it is used, among other things, to generate electricity. This is done by using reciprocating engines that are similar to the engine in a car. The engine drives the attached generator.

¹ For more information on L&S, please visit our website: <http://www.lssweeteners.com/index.html>.

² Good Food, Inc., a division of the Zook Molasses Company, is also located in [Leola, Lancaster County]. Good Food is a leading processor of molasses, syrups, and sweetener blends as well as cooking oils and dry mixes. Since 1980, Good Food has manufactured retail and industrial size products under the brand name Golden Barrel as well as more recently carrying on a Philadelphia tradition with our Mrs. Schlorer's product line. <http://www.goodfoodinc.org/>.

³ In any landfill, organic material decomposes, producing landfill gas with methane as its primary component. Using a strong vacuum, gas is collected through a system of horizontal and vertical pipes and is either flared or sent to a gas compressor station. Once it reaches the compressor station, the gas is prepared for beneficial use in a multi-step process that includes compressing, filtering and drying.

⁴ Granger Energy of Honey Brook LLC is located at the Lanchester Landfill in Chester County, Pennsylvania. Granger Energy of Morgantown LLC is located at the Conestoga Landfill in Berks County, Pennsylvania. It provides landfill gas to industrial customers. Both of these entities provide landfill gas to industrial customers. See *Petition of Granger Energy of Honey Brook, LLC*, PUC Docket No. P-00032043, Order entered September 8, 2004, 2004 Pa. PUC LEXIS 33; *Granger Energy of Morgantown, LLC*; PUC Docket No. M-00051865F0002, Notice and Disclosure Statement, published on July 12, 2008.

We use two 1.6-MW Caterpillar 3250 engine generator sets to produce a total nameplate capacity of 3.2 MW of electricity.

Our project was sized to satisfy the annual energy usage at the L&S' manufacturing plant and to generate excess electric energy. The engine-generator sets that use landfill gas are typically sized at 1.6 MW. So, to ensure that L&S could fully self-supply its electricity demands, two engine-generator sets were necessary. To help ensure that L&S can self-supply its future electrical demands, L&S has plans to add a third engine-generator set. This would expand our project to 4.8 MW, which is under the 5 MW statutory limit and is consistent with the AEPS Act, the Commission's Regulations, and PPL's net metering tariff provisions.

Our project has been a success, and will produce environmental benefits for Pennsylvania. We are now in a position to self-supply a large part of our demand for electricity. In addition, the annual energy savings from electricity equate to power for nearly 1,915 homes. The offsetting equivalent of CO₂ emissions from 15,105,111 gallons of gasoline consumed.

However, the proposed rulemaking would limit the size of a customer-generator system to 110% of the prior year's annual consumption for purposes of net metering. If passed, and applied to our existing renewable energy project, our project would be fundamentally harmed. It appears that the application of that regulation to our existing project would make our project no longer eligible for net metering. If our project is not eligible for net metering, it would be wasteful and/or uneconomic to operate it. Without net-metering, we would lose the ability to export residual power and the guarantee of compensation for excess electricity. So, any energy not immediately consumed by us would either be lost or taken by PPL without any compensation to us. And, even if PPL continues to compensate us for excess electricity, PPL would be operating freely from the PUC's oversight and rules. This means that we would lose the ability of the PUC to protect and enforce our rights, would place our ability to recover costs and pay for our investment in the project in jeopardy, and would set us up for costly negotiations and potential litigation with PPL.

L&S appreciates this opportunity to provide its comments on this important change to the your existing regulations, and we encourage you to eliminate the 110% requirement from the proposed regulations. Alternatively, L&S respectfully requests that (a) the 110% requirement and the other new requirements in the proposed regulations, if passed, be applied on a prospective basis only and/or (b) our renewable energy project be grandfathered from the application of all of the new requirements in the proposed regulations.

Thank you for your time and consideration.

Sincerely,



L&S Sweeteners, a division of Zook Molasses Company

L&S SWEETNERS
388 E. MAIN STREET
LEOLA PA 17540

PENNSYLVANIA PUBLIC UTILITY COMMISSION
ATT: SECRETARY
P.O. BOX 3265
HARRISBURG PA 17105-3265



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PHONE (212) 476-3106

Shawn Jensen
L & S Sweeteners
388 E. 11th St.
Loc 1A PA 17240

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