

Kish View Farm
4733 Main Street
Belleville, PA 17004

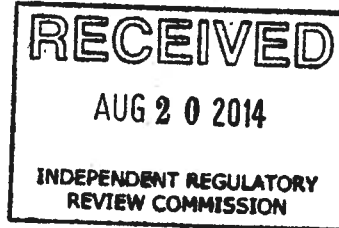
3061

July 31, 2014

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265

ATTN: Secretary

RE: Docket L-2014-2404361
Proposed Net Metering Changes



RECEIVED
2014 AUG 21 AM 10:39
PA P.U.C.
SECRETARY'S BUREAU

Dear Commissioners:

My family installed an anaerobic digester system in 2010-2011 to treat manure at our dairy. The digester was built to handle the manure from 500 cows plus a future expansion of our herd. Our farm edges a residential community and our need to manage waste to comply with our Nutrient Management Plan (NMP) and to reduce odor complaints from our non-farm neighbors is our primary purpose for the digester.

We have a genset rated at 180 kW installed. The manure from the herd and food waste that cannot be used as animal feed we put into the digester produces enough biogas to support a 110 kW output. Our farm (like most) is on single phase power and as such is limited to a total kWh output of no more than 200 kW by Penelec. It is difficult to understand why our operation would be considered by the Public Utility Commission as if it were a large energy producer when our business is food production, and we hardly put out enough energy by-products to compete with the energy industry. As a farm we are heavily regulated on how much manure we can generate and how much food waste we can feed the digester. Even if we took in the maximum amount of food waste as allowed by permitting with the DEP our maximum electricity production would be 230-250 kWh; since we are on single-phase anything beyond 180 kW must be flared off.

Our anaerobic digester has had a huge impact on odor control, making it much easier to operate a dairy of our size so close to urban/suburban sprawl. In fact, there is a retirement home directly across the street from our dairy and they don't even realize we are still operating because the manure smell has been eliminated. It has helped our farm to become "neighbor friendly"; essential since we can't just move our family farm further away from the sprawl that is encroaching our property that has been in our family for three generations.

The dairy business is a volatile one; the only thing predictable is that there will be good years and then there will be bad years. We've seen some very bad years in the recent past and a lot of dairy farmers have had to sell their cows and think of another way to make a living. The cost of environmental compliance has driven many out of the business but anaerobic digesters are a solution that at least, if we are able to maintain our ability to sell back to the grid, enables us to get a return on our investment and cover the costs of operating it.

Regarding the value of electricity; at the very minimum our digester genset operation costs are between \$0.02-\$0.03/kWh to operate (\$25,000-\$38,000). These costs are in routine maintenance, oil changes and scheduled repairs. This does not include the need to fix or replace equipment such as manure pumps or

digester mixers. Recently, my brother and I had to repair the motor to the tune of \$25,000, no small sum for a dairy farmer.

The proposed PUC net metering changes don't support on-farm anaerobic digester projects and I can't see how I would be able to keep mine in operation if they went into effect. I doubt others would choose to invest money on new digester systems. In fact, I doubt banks would continue to lend for these projects because lenders require return on investment that the new rules would not allow.

I am not even certain how, if the PUC adopts the proposed rules, we would know when we hit 110% load since I have never been able to get a direct answer from Penelec on how much energy they are buying from me and how much I am buying back from them. I am not, nor a want to be, in the wholesale energy supply business...I want to dairy with my brother, as my father did and as I hope my children will be able to. The manipulation of the pricing, payments, credits etc. is already skewed away from the favor of farmers turning manure into a usable byproduct by the by the electric companies. The last thing we need is for a regulatory agency (PUC) to add this last straw to the cow's back and put the future of on-farm anaerobic digesters out of business.

My family is in the business to produce milk, none of this docket is easy to comprehend, especially for those of us who are not in the energy business like PPL or these out of state solar companies, and I'm having a really hard time figuring out what part of it furthers the mission of the PUC as published on your web page: "balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner". In fact, it seems to discourage new technologies in environmentally sound manner. Please explain to me and the other dairy farmers who have or want to install anaerobic digesters to manage their manure, why this is.

I hope the PUC will reconsider and offer on-farm -anaerobic digesters account net-metering customers a better deal or keep the status quo. At a minimum, please ensure me that our farm's digester will be 'grandfathered' in if the PUC pushes forward with the new regulations.

Sincerely,

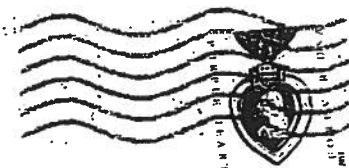
A handwritten signature in cursive script that reads "Keith D. Spicher".

Keith Spicher

KVF.
4733 E Main St
Belleville Pa 17004

HARRISBURG PA 171

31 JUL 2014 PM 11



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