



The Authorities

PENNSYLVANIA MUNICIPAL AUTHORITIES ASSOCIATION

September 3, 2014

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

RE: Docket L-2014-2404361

Dear Commissioners:

The Pennsylvania Municipal Authorities Association, PMAA, represents 700 municipal authorities in Pennsylvania. More than half of our member authorities are sewage treatment plants processing wastewater for millions of our citizens. On their behalf, we are writing to encourage an exemption in the proposed changes for the Implementation of the Alternative Energy Portfolio Standards that would exempt wastewater treatment plants using anaerobic digestion processes from the proposed net metering cap.

The use of anaerobic digesters is a common treatment operation at many sewage treatment plants. A beneficial byproduct of this process is the production of methane gas which can be collected and used as an energy source. The 110% cap on net metering, if applied to sewage treatment plants, would be a disincentive to produce an ongoing alternative fuel source through the normal operations of anaerobic digesters.

PMAA respectfully requests the Commission to consider this growing valuable source of alternative energy and provide an exemption to sewage treatment plants engaged in this process. For more detailed information on the impacts and benefits of this issue we direct you to the letter enclosed from the Lehigh County Authority, which you have also received from them separately.

Thank you for your consideration.

Sincerely,

John W. Brosious
Deputy Director

Enclosure

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LEHIGH COUNTY AUTHORITY

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September 2, 2014

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

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

Dear Commissioners:

Lehigh County Authority (LCA) is deeply concerned about the proposed Rule changes for the Implementation of the Alternative Energy Portfolio Standards. This Order, if adopted, will have grave consequences for wastewater plants that have, or might consider in the future, installing Anaerobic Digesters (AD) to operate wastewater plants efficiently and in an environmentally responsible manner.

Anaerobic digesters have been used for years to treat and reduce the biosolids produced in wastewater treatment plants. While performance varies, digestion can reduce the volume of biosolids by up to 60% thereby diminishing the amount that needs to be disposed of in landfills and/or applied on other lands. The digestion process also produces methane as a byproduct, which can be used as a fuel to provide heat and/or energy for plant operations and/or sale of power to the electric grid. If use is not achieved, the methane would otherwise be flared (burned off) and no beneficial use would be realized.

LCA is pursuing a plan to enhance methane production at one of our wastewater plants and to generate power for the plant use and sale (Project). In addition to treating wastewater from businesses and residences connected to our system upstream at the plant, the LCA plant receives wastewater from waste haulers. One of the project elements is to increase methane production by expanding the volume and the type of hauler waste and allowing certain types of waste to be directly discharged into the digesters, thereby further increasing methane productions and reducing operational costs elsewhere in the plant. While the electric production is not expected to exceed plant needs initially, that possibility does exist in the future.

If this regulation is adopted to impose a 110% net metering cap, all power produced above that level would result in all of the costs of generation, but produce no offsetting revenue. Alternatively, power generation could be curtailed but that would result in flaring the excess methane, essentially wasting a valuable, clean fuel.

Every drop matters. Every customer counts.

In summary, methane production in wastewater plants produces a clean fuel which can be used cost effectively, safely and environmentally beneficially to produce electric power, however, if the revenue benefit is denied under the proposed regulation, this valuable energy source will be compromised or wasted. In a time when our country is trying to achieve energy independence, implement a cleaner energy portfolio and expand green energy sources, it is impossible to justify applying the proposed net metering cap on wastewater treatment plants producing power to offset power production using less clean fuels or for delivery to the grid.

Specifically we ask the Commission to revise its proposed regulation to exempt wastewater treatment plants from the proposed net metering cap. To not do so would lead to waste of a clean, valuable energy source and at the same time make the treatment of the Commonwealth's wastewater more expensive and less environmentally protective.

Sincerely,

A handwritten signature in black ink, appearing to read "Aurel Arndt". The signature is fluid and cursive, with the first name being the most prominent.

Aurel Arndt
Chief Executive Officer

Pennsylvania Municipal Authorities Association

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HARRISBURG

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