

May 15, 2015

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265
Attention: Secretary

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Dear Commissioners:

As a participant in the Commonwealth's net metering program through our 3000-kilowatt solar energy project, which became operational at Crayola's world headquarters and manufacturing facility in 2010, we again read with concern the most recently proposed net metering changes published in the Pennsylvania Bulletin on May 9, 2015.

We appreciate the commissioners' response and revisions based on comments provided by Crayola and others in regards to grandfathering existing approved net metered systems. Commissioner Cawley's statement even goes on to note that "existing net metered installations are grandfathered." Even though the commentary says existing net metered installations are grandfathered, the actual proposed language in the order is not clear that all existing net metered installations are grandfathered, including Crayola.

The problem is that the most recent policy revisions contain a new definition of what is considered a "utility" that is so broad that it appears to negate any chance of grandfathering for any installation. It effectively declares any alternative energy producer that provides power to anyone else is a "utility"— does this make Crayola's solar project a "utility"? A utility is traditionally considered a provider of services for the good of the general public and therefore subject to substantial regulations and reporting requirements. A small, on-site alternative energy system such as Crayola's is simply not a utility by any commonly understood definition.

Furthermore, 75.13(a) (2) says that, in order for a customer-generator to qualify for net metering, the owner or operator of the alternative energy system may "not be a utility." But UGI Development Company and PPL Renewable Energy are the owners of the Crayola system. So as this is written, is Crayola being excluded from participation in this program?

We suggest the following revisions at minimum to be clear on the intent of the changes:

- First, grandfather all existing, approved net metering installations without exceptions
- Add clarity that a "utility" provides services for the public good and whose rates are regulated by the public utility commission

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We propose the following changes (shown as underline) to the utility definition to accomplish the clarity needed as stated above:

“Utility—A person or entity that provides electric generation, transmission or distribution services, at wholesale or retail, to other persons or entities for the public good and who are regulated by the public utility commission. AN OWNER OR OPERATOR OF AN EXISTING OR APPROVED NET METERING SYSTEM OR AN OWNER OR OPERATOR OF AN ALTERNATIVE ENERGY SYSTEM THAT IS DESIGNED TO PRODUCE NO MORE THAN 200% OF A CUSTOMER-GENERATOR’S ANNUAL ELECTRIC CONSUMPTION SHALL BE EXEMPT FROM THE DEFINITION OF A UTILITY IN THIS CHAPTER.”

Our understanding is that the net metering rules were established to promote the use of renewable energy in the Commonwealth under the Alternative Energy Portfolio Standards (AEPS) Act which “was designed to foster economic development, encourage reliance on more diverse and environmentally friendly sources of energy.” In our opinion, however, the proposed changes to the Act may undermine these objectives and slow the acceptance of these environmentally responsible technologies.

Significant investment decisions, benefiting both the environment and the local economy, were made, relying on this original understanding. As we have stated before, changing the rules after the fact is unfair to current net metering participants and threatens the viability of their businesses. In addition, it undermines public trust in the Commonwealth and the Commission. Pennsylvania will have difficulty attracting investment, if its announced long-term policies are subject to regular revision.

A timely response to the concerns noted above (grandfathering of all existing net metered installation) to my attention would be appreciated.

Respectfully Submitted,



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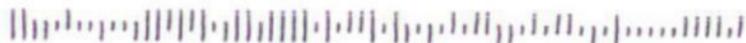


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