

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

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RE: Docket L-2014-2404361

JUL 31 2014

Proposed Net Metering Changes

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



Dear Commissioners:

My wife and I started milking 100 cows on the family farm in 1990. We are now milking over 900 cows. This increase resulted from obtaining two additional neighboring farms that had reluctantly decided to leave dairy farming.

In February 2012 we began to produce electricity from all the manure from these farms that was pumped underground to our digester. The decision to proceed with this investment was a risky one and therefore based on several facts.

1. Environmental solution to manage manure as we are regulated to do
2. Benefits to neighbors, and crops
3. The estimated revenue would ensure our ability to pay off the cost of install and continued maintenance

The revenue generated from our digester has allowed us to continue dairy farming. Without this revenue we would have not been able to obtain and maintain the aging dairy farms we manage. It is an unfortunate fact that aging small dairy farms are disappearing.

To have an environmentally friendly solution for manure management is not only protecting our environment for the future, but also benefits our local neighbors and crops now. I cannot express my pride and relief when one of my local neighbors recently came to shake my hand and expressed his gratitude after I had spread manure on the field behind his house and he could not smell anything! As for the crops, the digested fertilizer they receive allows them to utilize the nutrients better and significantly reduces any leaching into the environment.

My farm, like 99% of Pennsylvania's is a family business, and our business is dairy, not energy. Unlike other alternative energy enterprises, we do not have investors, parent companies or venture capital support. We do not run our digester to become a wholesale energy supplier, but instead to continue to be a viable dairy farm. Our family business produces milk and manure, both of which are very heavily regulated. The anaerobic digester is a way for us to address our current manure management mandates and is sized to accommodate future herd expansion and effluent needs.

Many dairies in PA have had to quit dairying because the volatile milk prices and feed costs did not allow them to generate enough income to comply with environmental regulation and at the same time maintain a family sustaining income. The digester has been like a prayer answered for those of us who have taken the financial risk to install it. That risk is dependent on our ability to get a return on investment (Cost for me to install 450 KW was \$2.4 million most

projects are over \$ 1,500,000) and generate the income to maintain it. Electric payments were a key factor considered by our lenders when we asked for a loan for construction.

How does the PUC propose farms justify the investment in Renewable Energy projects such as anaerobic digestion?

I do not understand the PUC's intent to treat on-farm digesters like publically traded energy companies when we couldn't be more different; our energy generation is based on how much manure our cows generate that we are required to manage. My dairy cows produce enough biogas to sustain a 250-300 kW output. We add food waste that cannot be used to feed our cows into the digester system which pushes the output up to about 450 kW. We are limited by the DEP on how much food waste and manure we can feed the digester and the PUC wants to further limit our return on investment?

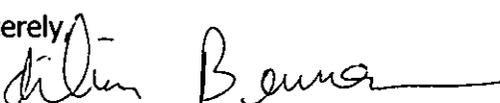
Our electric usage fluctuates significantly throughout the year and the various parts of our operation. If we were limited to 110% of our annual electric consumption as proposed by these rule changes, what does the PUC suggest our farm do with the excess biogas? What is the most sustainable option for manure and food waste that cannot be utilized as animal feed? Flare the biogas? Is the PUC in favor of wasting renewable energy?

The option of converting biogas into CNG is not currently a feasible option. The capital Investment in CNG equipment for a facility of my size is well over \$1,000,000 in addition to the investment I have already made in the project. Also, I don't have a fleet of trucks that can utilize CNG; there is no readily apparent market for this product.

I am a dairy farmer, I don't want to become a wholesale energy or fuel supplier; even if I did, we do not generate enough energy to become one. The current net metering structure enables me to pump the manure from multiple locations on the farm my cows are located. I am unclear from the proposed PUC changes how the proposed changes would impact my management of distinct effluent sites and my ability to anaerobically treat the farm's manure wastes with the digester.

I am certain that if these proposed rule changes are adopted in PA, it will halt all future consideration by farmers to use this technology to address our environmental compliance, and it just might put many out of business. Banks won't provide loans for bad or high risk investments and grant agencies prefer funding projects that have a solid Return on Investment of public monies spent. I am further concerned that current on-farm digesters will not be able to address the debt load they have taken on under the assumptions that revenue would enable their return on investment. I have been told that current digesters already in place would be 'grandfathered' in these new rules. Not being a lawyer, and having read the docket several times, I do not see any language that specifies that. Will my project be 'grandfathered' in?

Thank you for considering the impact your actions will have on the future of farms in Pennsylvania.

Sincerely,  


Arlin Benner and Family

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