

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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| Implementation of the Alternative Energy Portfolio Standards Act of 2004 |))) | Docket No. L-2014-2404361 |
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COMMENTS OF PENNSYLVANIA INTERFAITH POWER & LIGHT

PA Interfaith Power & Light (PA IPL) supports the substantive and detailed comments submitted by PENNFUTURE, CLEAN AIR COUNCIL, THE REINVESTMENT FUND, MID-ATLANTIC RENEWABLE ENERGY ASSOCIATION, SIERRA CLUB, AND PENNSYLVANIA SOLAR ENERGY INDUSTRIES ASSOCIATION in regards to **Docket No. L-2014-2404361** regarding Implementation of the Alternative Energy Portfolio Standards Act of 2004.

Please accept this letter of support for the detailed and substantive comments submitted by the Net Metering Coalition. Each of these groups has a long history of understanding alternative energy generation and regulation in Pennsylvania as well as in nearby states as a way to better understand Pennsylvania's options (in the case of PennFuture and the Pennsylvania Solar Industries Association) or due to regional or national work in other states (in the case of the other partners). PA IPL has partnered with several of these groups in the past, and trusts their combined expertise regarding AEPS and net metering.

Pennsylvania Interfaith Power & Light is a group of individuals, congregations, and institutions of faith responding to climate change as a moral and ethical concern. Our members are located across the state from Erie to Philadelphia, and including urban, rural, and suburban communities. Our work is a mix of the tangible and direct (caulking and walking) and the intangible (prayer, education, an expansion of the public dialog about climate change and climate solutions, and switching our power sources). Walking the walk ourselves is important for our own journeys, but we absolutely understand that while we are working with individuals and congregations to address the climate crisis, we must also ask our legislators and public leaders to act in their spheres. Building a clean energy future is an all-hands-on-deck challenge.

Nearly 54% of Pennsylvanians are affiliated with a particular religion (<http://www.bestplaces.net/religion/state/Pennsylvania>), and that figure doesn't include the growing number who consider themselves "spiritual, but not religious" (Pew Research Center). While religions and faith traditions differ on many things, they share both the call to care for the most vulnerable people, *and* the call to care for Creation. PA Interfaith Power & Light is asking you to honor these moral and faithful calls by removing – not building – roadblocks to faithful response. Pennsylvania's AEPS is pitifully low compared to that of other states, and yet Pennsylvanians are moving forward anyway. As you well know, Pennsylvania's own Constitution, unlike those of nearby states, actually codifies the responsibility of the Commonwealth to protect the public natural resources of our state as common property of all the people, including generations yet to come.

Whether you turn to moral reasoning, faithful call, or the directive of the Constitution of this fine Commonwealth, all three compasses point in the same direction. Do not act to limit or complicate net metering. Act instead to move us toward a clean energy future of which we can all be proud. Do so for your state. Do so for your God.

Below you will find appended the core issues as outlined by the Net Metering Coalition and Member Organizations. PA Interfaith Power & Light joins the Net Metering Coalition in asking that you give these issues serious consideration.

1. We oppose the changes in §75.13(k) that would give the Commission authority to allow utilities to charge any new fees that aren't also levied upon non-net metered customers. We believe levying these fees would violate the AEPS guarantee that net metered customers receive the full retail rate for all generation of their solar installation up to their annual usage. Moreover, the proposed change fails to provide any basis for determining this fee. If there is to be a fee, it should be based on a full cost of service study that evaluates both the costs and the benefits of each specific net metered system.
2. We believe the proposed new definition for "utility" §75.1 continues to be overly broad and threaten the third-party ownership model for solar and other distributed generation which the Commission has approved in prior dockets. While the discussion section of the Final Rulemaking Order (page 8) indicates that changes have been proposed intended to exclude persons or entities that own or operate alternative energy systems that are clearly not merchant generators, the proposed changes do not go far enough to explicitly allow for third party owned systems. In the case of solar energy there are models that have been explicitly approved by the PUC [See Use of Third Party Operators, Final Order at Docket No. M 2011 2249441 (entered March 29, 2012)], that broker leasing or power purchase agreements to host customers. Via this proposed definition revision, those entities do provide electric generation services, and could be considered a utility under this rule.

3. We disagree with the proposed change in §75.13(a)(3) for the new system size limit of 200% of the customer-generator's annual electric consumption. While the original proposed limit was lower at 110% of annual electric consumption, there is no statutory authority in the AEPS Act for any percentage limit. There is already an existing system capacity limit of 50 kW for residential systems and 3 (or 5) MW for nonresidential systems. The additional size limit is redundant and only adds more uncertainty and regulatory compliance costs, which will ultimately be paid by all ratepayers. The AEPS statute creates an environment where there is no incentive to over-size systems since any annual surplus of production does not receive net metering treatment and is compensated at the lower price-to-compare rate. Thus, sizing a system to overproduce on an annual basis does not make economic sense which further shows that additional system size restrictions are simply unnecessary.

This proposed rule change is offered as a method to prevent merchant generators from masquerading as net metered customer generators. The coalition views the incidences of net metered customers generators masquerading as customer generators as extremely rare. Those few cases where there is clear intent in the project proposal to take advantage of net metering rights as a means to provide merchant generator services at greater profit, can be dealt with on a case by case basis with greater efficiency for all parties. Applying these burdensome and costly limitations to the entire distributed energy industry remains an unnecessary step.

4. We oppose the proposed change in §75.12 to the definition of "virtual meter aggregation" that adds a requirement that all service locations must have separate existing measurable load. It should be sufficient that the customer-generator have measurable electric load, not that each meter of the customer-generator have measurable load. This proposed change would prevent appropriate siting for virtual net metered systems as it requires systems to be installed in proximity to customer-generator's existing meters that have a measurable load. This violates the AEPS legislation's intent to promote new clean distributed generation.

5. We do not support the proposed deletion in §75.51(c) of the Commission's ability to appoint a technical master to assist in the resolution of any disputes under the interconnection application/review process. We understand the Commission has not made use of its power to appoint a technical master, but nevertheless see no reason to cancel this authority. We are particularly concerned that residential customers and small business are already at a disadvantage when faced with disputes regarding the technical application of the regulations and, with increasing complexity, this is expected to continue. For this reason, it is premature to delete the provisions.

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Communities of faith responding to climate change.