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Sensenig Dairy
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July 28, 2014

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

RE: Docket L-2014-2404361

Proposed Net Metering Changes

Commissioners:

I am writing to voice my concerns regarding the proposed revision to the rules governing on-farm anaerobic digesters. My husband Cliff and I operate a dairy farm in southern Lancaster County that is home to a community anaerobic digester. It is fed by a waste stream from three farms and three different species, along with various food wastes and source-separated organics. It is essential that the proposed changes ensure exemption for on-farm digesters with the language throughout the AEPS so that there is no room for interpretation that would put the future of AD at risk in Pennsylvania.

It is a well-known fact that digesters are very beneficial for sustainability. On the farm, they help us manage our nutrients, reduce our greenhouse gases, offset electricity costs, reduce fuel consumption, improve air quality, and improve water quality-- not just on our farm, but all the way downstream to the Chesapeake Bay.

Last week, I was able to attend a meeting with Kelly Heffner, DEP Secretary of Water Management, and Ken Reisinger, Acting Deputy Secretary of Waste, Air, Radiation and Remediation. The meeting was coordinated by a group of individuals who are committed to improving the quality of the Bay through composting and anaerobic digestion. The secretaries listened to a brief introduction of each facility represented, and there was discussion on how we can continue to use the technology of composting and AD to further improve upon the steps farmers and others are taking to reduce nutrient pollution into the bay. Our comments were very well received, and all seemed excited about the way digesters and composting can continue to reduce nutrient and sediment runoff into the Chesapeake Bay.

While digesters seem like a win for all involved, in order for them to be favorable to a farmer, they must make financial sense. The electric check we receive each year is how we operate, maintain, and make

payments on the tanks, buildings, pumps, and generator system that are all part of our digester's operation. If the excess electric we could net meter were to be capped at 200%, it would not be enough to break even on just the payments we are still making, let alone cover the operating costs of the system. Not to mention engine rebuilds, unexpected down time, pump repairs, and the list goes on.

I think it is important that the proposed language is not open at all to interpretation by DEP employees. A few changes to the wording would make all digester owner more comfortable, ensuring that our investment will be feasible long-term. Also, there needs to be language that ensures dairy farms on residential meters not be excluded from net-metering.

1. Concern: 75.13 (a) (3) (IV): While this is an improvement from the earlier proposed rule change, this important section can be improved by having further clarity. The language in the proposed change will be challenging for DEP to interpret. What does "integral" mean? Changing "MAY" to "SHALL" improves clarity. I suggest that this section be changed to the following:

Suggested Change: (IV) THE 200% OF THE CUSTOMER-GENERATOR'S ANNUAL ELECTRIC CONSUMPTION LIMITATION ~~MAY~~ shall NOT APPLY TO ALTERNATIVE ENERGY SYSTEMS WHEN THE DEPARTMENT PROVIDES CONFIRMATION TO THE COMMISSION THAT A CUSTOMER-GENERATOR'S ALTERNATIVE ENERGY SYSTEM ~~IS USED TO~~ complies WITH THE DEPARTMENT'S PENNSYLVANIA CHESAPEAKE WATERSHED IMPLEMENTATION PLAN IN COMPLIANCE WITH SECTION 303 OF THE FEDERAL CLEAN WATER ACT AT 33 USC § 1313 OR IS AN INTEGRAL ELEMENT of a farm's approved Nutrient Management Plan in compliance FOR COMPLIANCE WITH THE NUTRIENT MANAGEMENT ACT AT 3 PA. C.S. §§ 501, ET SEQ.

2. Concern: 75.13 (a) (4): This sentence refers to limiting nameplate capacity for residential service locations. Many dairy farms in Pennsylvania have their electricity as a residential service. These dairy farms with residential service accounts will be excluded from the benefits of net-metering.

Suggested Change: (4) The alternative energy system must have a nameplate capacity of not greater than 50 kW if installed at a residential service location unless the service is for a "normal agricultural operation," as defined in the Pennsylvania Right to Farm Act.

I think we all agree on-farm digesters can be part of the solution for improved air quality, improved water quality, and improved health of the bay. Imagine if there were even more digesters in the state how much closer PA's agriculture industry would be to reaching the goals the EPA has laid out for Pennsylvania in regards to reducing runoff into the Bay.

The possibility of the amount of electricity a digester owner could net meter being limited would put existing digesters at risk, and would most likely kill any plans of future construction on more digester systems going online. We are not operating this digester on our farm as a way to get rich off of the electric company. We are using it as a management tool to improve our sustainability, better manage our nutrients, and be the best stewards of the land that we can. The check we receive yearly from our excess electricity pays us to do all that.

Thank you for taking my concerns into consideration. It is my hope that the revisions will ensure, long-term, that there are no unintended consequences to current or future on-farm digesters.

Best regards,

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