

Ar-Joy Farms, LLC  
1600 Althouse Road  
Cochranville, PA 19330  
610-593-5998  
[drinkmilk@zoominternet.net](mailto:drinkmilk@zoominternet.net)

May 26, 2015

Pennsylvania Public Utility Commission  
**Attn: Secretary**  
**P. O. Box 3265**  
**Harrisburg, PA 17105-3265.**

RE: Docket L-2014-2404361

Dear Commissioners:

Ar-Joy Farms has been in operation since 1965, first by Art and Joyce Hershey and for the past three decades by their son Duane and his wife Marilyn Hershey. Farming has been a viable lifestyle tracing back through both Duane and Marilyn's families, as far back as the 1800's.

Over the years there has been a continuous progression of farming styles. Each decision to improve the farm has been made with deep thought, research, and financial planning, especially over the past two decades with the volatility of the markets, increasing regulatory compliance, and higher land prices. Ar-Joy Farms first researched installing a methane digester several years ago; a project of this magnitude is not one that farmers take lightly.

Ar-Joy farms nearly 500 acres north of the Chesapeake Bay putting tremendous burden on our operation to reduce the nutrients we put back into this protected watershed. Aside from that we also enjoy spending family time on the bay. The Chesapeake Watershed has always strongly influenced the farming practices and nutrient management plans at Ar-Joy.

Urban sprawl is growing concern on our farm. Being considerate and aware of our concerned neighbors has also motivated our decision to take the financial risk of installing a manure digester system that reduces odor and gives us a reusable byproduct that reduces the carbon footprint of our 750-cow dairy farm. With land values and suburban encroachment such as they are, farms like ours are limited by where we can put the excess nutrients. Dairies cannot grow in herd size and build a sustainable business for the next generation, unless they have a viable solution to manage the manure. Pennsylvania agriculture does not have the wide open tillable lands that many other agriculture states have, so our manure management challenges require innovative solutions that can pay for themselves in the long term.

, analyzing the various types of digesters, and penciling a workable budget for such a project, we decided to move forward with an anaerobic digester (AD) on Ar-Joy Farms.

However, shortly after we started the logistical process of the \$2.5 million project, we were made aware of PUC's proposed ruling on Net Metering. The limits on how much excess

RECEIVED  
2015 MAY 29 AM 10:29  
PA P.U.C.  
SECRETARY'S OFFICE

energy a farm can sell back to the grid from methane digesters brings our project to a halt. Not only must we prove a certain return on investment in order to acquire the necessary loans and grants for this huge capital expansion, but we must be certain that we can fund the significant maintenance costs from the energy produced by the digester. Upon learning of the order that would cap the amount of energy we are able to sell for profit, we decided that we would not be able to meet our obligations and could not afford to move forward.

Our hope that we might be able to make it work after all has been renewed with the recently released AEPS. While the 200% cap may still prohibit us from making the numbers work and moving forward, particularly if we grow in herd size in the coming years, we appreciate the PUC's effort to at least recognize that on farm alternative energy projects are done to save the farm and the environment, not the energy industry. We hope that the PUC will consider making the necessary changes that will allow farm families in PA to sustain their way of life and the environment around them. Thank you for your consideration and understanding,

Duane and Marilyn Hershey

A handwritten signature in cursive script that reads "Duane & Marilyn Hershey". The signature is written in black ink and is positioned below the typed name.

Dore + Marilyn Hershey  
1600 Airhouse Rd  
Cochranville Pa 19330

WILMINGTON DE 197

27 MAY 2005 5:11 PM '05



Pennsylvania Public Utility Commission

ATTN: Secretary

PO Box 3265

Harrisburg, PA 17105-3265