



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF AGRICULTURE

R-2025-3057164

DATE OF DEPOSIT

Pennsylvania Public Utility Commission
Secretary Matthew Homsher
Commonwealth Keystone Building 2nd Floor, Room-N201
Harrisburg, PA 17120

JAN 20 2026

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary Homsher,

We appreciate the Public Utility Commission's commitment to accepting public comment and holding in-person hearings regarding the rate increase proposal submitted earlier this year by PPL Electric Utilities Corporation.

The Department of Agriculture has received significant input from the agriculture community expressing concern about how farmers using renewable energy may be treated under PPL's proposed rate structure. Farmers are concerned that the proposal could negatively impact their ability to move forward with renewable energy projects on their farms, making it more difficult to achieve a timely return on investment.

PPL's rate increase filing includes a proposed tariff policy that would fundamentally change how customer-generated renewable energy projects are credited for excess generation. Under the proposal, customer generators would be classified in a large commercial rate class instead of a small commercial rate class. Classifying these consumers as large commercial or industrial operations is inappropriate given the characteristics of the class and the typical dynamics of farm-based energy generation.

This change could reduce revenue generated by farmers producing their own energy by as much as 65 percent. On-farm renewable energy projects should remain classified in a small commercial rate class to ensure they remain financially viable and in recognition of the greater similarities that these operations have with small commercial operations than with large commercial or industrial operations.

On-farm renewable energy projects provide multiple benefits. They allow farmers to reduce operational costs by generating their own electricity, create new revenue streams through the sale of excess energy, and enhance energy resilience in rural communities. These projects also support environmental goals by reducing reliance on fossil fuels and lowering greenhouse gas emissions. For many farms, especially smaller and mid-sized operations, renewable energy investments are critical to maintaining profitability and ensuring long-term sustainability in an industry that often faces unpredictable and strong headwinds.

The Shapiro administration is committed to using agriculture as part of the solution to Pennsylvania's energy needs. Methane digesters and rooftop solar panels are examples of how

Office of the Secretary

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farms can leverage their existing assets and infrastructure to generate clean, renewable energy — both to power their own operations and to supply additional electricity to the grid. Pennsylvania has more than 30 on-farm methane digesters operating on farms across the state and there is potential for future growth. A recent study released by the American Biogas Council suggests that Pennsylvania ranks third in the country for its biogas potential — with that feedstock coming from on-farm methane and other sources.

Pennsylvania farmers have also used state and federal resources to incorporate solar into the farms, using barn roofs and other spaces to generate electricity. In particular, the federal Rural Energy for America Program (REAP) drove investments in energy generation on hundreds of Pennsylvania farms.

Both digesters and solar energy represent proven technologies that farmers can use on their farm to improve their conservation stewardship, better manage their resources and reduce their electricity prices. PPL's proposed changes would likely make it financially unfeasible for farmers to cover the upfront costs of these projects, threatening not only their economic viability but also Pennsylvania's broader goals for sustainable energy development.

Pennsylvania agriculture is a willing and ready partner in building sustainable, resilient energy solutions. Farmers are eager to contribute to our Commonwealth's energy supply, improve environmental stewardship, and strengthen rural economies. PPL's proposed tariff changes could undermine those efforts, putting at risk both the economic health of farms and Pennsylvania's progress toward a cleaner, more reliable energy system.

As the Public Utility Commission reviews PPL's rate case, we respectfully urge you not to support any changes to how on-farm energy projects are classified. We are eager to work with you on finding more opportunities to support our farmers and rural communities. Maintaining the current classification will ensure that agriculture remains an active participant in Pennsylvania's renewable energy future while protecting farmers' ability to invest in projects that benefit their operations, their communities, and the Commonwealth as a whole.

Sincerely,

A handwritten signature in black ink that reads "Russell C. Redding".

Russell C. Redding
Secretary

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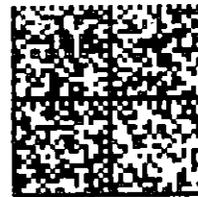


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