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March 20, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation; Docket No. R-2025-3057164 et al.; **PROFESSIONAL DAIRY MANAGERS OF PENNSYLVANIA'S STATEMENT IN OPPOSITION TO SETTLEMENT**

Dear Secretary Homsher:

Enclosed for filing with the Commission is the Professional Dairy Managers of Pennsylvania's ("PDMP") Statement in Opposition to Settlement in the above-captioned docket. Copies of this Statement have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact my office.

Very truly yours,

Todd S. Stewart
Counsel for the Professional Dairy Managers of Pennsylvania ("PDMP")

TSS/jld
cc: Administrative Law Judge Christopher P. Pell (via electronic mail - cpell@pa.gov)
Administrative Law Judge Barbara Shadie Nause (via electronic mail - bshadienau@pa.gov)
Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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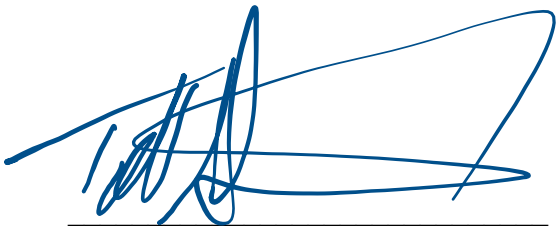

Todd S. Stewart

DATED: March 20, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket Nos. R-2025-3057164
Coalition for Affordable Utility Services and	:	
Energy Efficiency in Pennsylvania	:	C-2025-3057844
Office of Small Business Advocate	:	C-2025-3057889
Office of Consumer Advocate	:	C-2025-3058130
Brad and Jennifer Wooley	:	C-2025-3057946
PP&L Industrial Customer Alliance	:	C-2025-3058271
Convergent Energy and Power LP	:	C-2025-3058300
Solar Energy Industries Association and	:	C-2025-3058251
The Coalition for Community Solar Access	:	
Rik Bhattacharyya	:	C-2025-3058846
Safiyah Junaid	:	C-2025-3058983
Stacey Kimmel-Smith	:	C-2025-3059151
John Gadomski	:	C-2025-3059330
Thatcher Graham	:	C-2026-3060429
Wendy Johnson	:	C-2026-3061012
	:	
v.		
PPL Electric Utilities Corporation		

STATEMENT OF
THE PROFESSIONAL DAIRY MANAGERS OF PENNSYLVANIA
IN OPPOSITION TO SETTLEMENT

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DATED: March 20, 2026

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I. INTRODUCTION

These Comments are in opposition to the Non-Unanimous Settlement ("Settlement") submitted by PPL and most of the other parties to this proceeding. The Professional Dairy Managers of Pennsylvania ("PDMP") is an organization of dairy farmers who, for purposes of this proceeding, operate anerobic digesters as net metered customer generators on the PPL system. For the reasons stated herein, the PDMP opposes the Settlement.

PPL has proposed, in it filing in this matter, to classify customer generators by their demand or their generation, using the Customer-Generator's Maximum Registered Peal Load ("MRPL"). Having invested significant capital in reliance on receiving "full retail value" for solar net metered generation, customer generators are of the view that such a change is not authorized by the AEPSA. Focusing instead on the stated need for making such a dramatic change to the MRPL, a proposal that even PPL's own witnesses admit would drastically reduce compensation to net metered customer generators, the record of this case does not support the existence of the alleged rate cliff or other catastrophe if net metering were not changed at all. When weighed against the harm to dairy farms operating anerobic digesters, some who have been in operation for 20 years and whose farming operations depend on the revenue produced by net metering, the alleged harms underpinning PPL's proposal quickly dissolve. Not only is there no factual basis for PPL's proposal, but its intention is also to reduce compensation solely for net metered customer generators, and it will lead to harm to customer generators that PPL's own witness acknowledges. For all of the reasons set forth herein and in PDMP's testimony, the MRPL Settlement proposal must be rejected; it does not protect customers. It harms customer generators without providing any compelling benefit to non-customer generators.

Schrack Farms installed its digester in 2006 and has been operating it more or less continuously since then. The same with other PDMP members, Brett Reinford and Mike Brubaker

who testified at the public input sessions. They have continued to operate those digesters, being paid the PTC and managing the waste stream from thousands of cows.

Most of the other parties have now joined in a Settlement with PPL, under which a small subset of customer generators, those already operating plus a small sampling of those with projects far enough down the path to completion, will be permitted to continue to operate under the current rate structure for ten years, which is referred to as grandfathering, while others will receive enhanced wholesale compensation, potentially for up to fifteen years.

The Settlement unfortunately ignores the plain language of the AEPS Act, which requires that *all* customer-generators be paid full retail value for all energy produced. What this means is that PPL's specious argument that some invented impending rate crisis suffices as a rationale to override the provisions of the AEPS Act fails. Even if there were a pending rate calamity, which there is not, there is no factual predicate to thwarting the requirements of the AEPS Act. PPL's proposed Maximum Registered Peak Load ("MRPL") scheme must be rejected as being contrary to law. Moreover, the law is clear that the Commission cannot accomplish through a settlement what it cannot otherwise approve and so the non-unanimous Settlement that would purport to authorize some modified version of PPL's initial MRPL proposal must also be rejected as being contrary to law.

Moreover, The Commission's obligation to protect ratepayers from discriminatory rates is offended, not supported, by the proposed settlement. The AEPS Act requires the entire set of customer generators to be paid full retail value for their generation. The settlement terms create subsets of customer generators based on when their project was energized. This division of customer generators into subclasses is in no way supported by the AEPS Act, which applies uniformly to all customer generators, regardless of when their projects were energized or when in

the future they come on line. Ironically, the Commission justified its ignoring the AEPS Act's "full retail value" requirement by invoking Section 1307 of the Code under the pretext of protecting ratepayers from unjust rates. Yet this settlement will create more regulatory injustice than it purports to correct. With no factual basis for the conjecture that the settlement saves ratepayers from harm, deviation from the AEPS Act by creating non-uniform rules for customer generators violates the very section of the Public Utility Code cited to override the AEPS Act's thoughtful incentives for deployment of distributed generation capacity in the face of generation shortages.

J. MRPL Issues

1. The Rate Cliff Myth.

Even in a partially settled case, the settling parties retain the burden of proof with regard to every aspect of the Settlement.[1] In this case, all parties but two have signed on to a settlement on the MRPL issues that is based on false assumptions arising from testimony that fails to tell the whole story about the rate impact of net metering. The first assertion to lead the unwary astray is the notion that excess generation is "banked" until the end of the year, creating the notion that the kilowatt hours produced by customer generators are not immediately consumed by those non-generator customers closest to the customer generator.[2] It also is true that those customers are charged for the electricity that they consume, at rates determined by their rate class, and that the electricity they consumed is not included in the supply requirements for default service suppliers.[3] What that means is that all of the electricity that is produced by Customer-Generators is being

[1] *Pa. PUC v. CUPA*, Docket No. R-2021-3025206 (Order entered Jan. 13, 2022)("Because Joint Petitioners request the Commission enter an order in this proceeding approving the Partial Settlement without modification, they share the burden of proof to show that the terms and the conditions of the partial Settlement are in the public interest."). *Peoples Natural Cas Co., LLC v. Pa. PUC*, 2022 Pa. Commw. Unpub. LEXIS 137* (April 13, 2022)("Despite favoring settlements, the PUC does not simply rubber stamp settlements without further inquiry. The petitioners have the burden of proving the settlement is in the public interest.").

[2] At the March 9, 2026 hearing, PPL's witness admitted that this is what happens-there is no "banking" of generation. Tr. at 1058-1061.

[3] Tr. at 1058-1061.

metered and consumed by other customers, recorded on their bills, and charged monthly.[4] But customer generators are not paid monthly. Rather, their excess generation is accumulated each month, and they are paid at the end of the year, with funds that PPL receives throughout the year from the customers who consumed the energy and paid PPL.[5] It matters not whether the customer who consumed the energy is residential, or industrial or commercial, except that the default service rates do differ, there is no free energy, as PPL's witness made clear at the hearing.[6] The EDC keeps the funds during the year and their shareholders enjoy the time value of the money that should be paid to the customer generators monthly.[7]

Nonetheless, throughout this matter, PPL and others have stated that the cashout for the small business rate class is going to grow based upon the amount of no-load generation that will be installed on their system if nothing is done, as if that were a horrible thing. Rather, a growing cashout is a logical result of more customer generators on the system and is not a problem – it is precisely what the AEPS Act encourages. PPL will have collected the cash from all the customers who consumed the energy (at the customer's appropriate price to compare). That most of the customers-generators are in the small business rate class is not an issue either. PPL collects the payment for excess generation, through regular utility bills, from customers in all rate classes and there is no reason to be concerned about cross subsidies. If it were true that the small business class were required to pay all of the cashouts and not be compensated with funds from other customers in other rate classes that used and paid for that energy, that would violate 66 Pa. C.S. § 2807(e)(7), which prohibits cross subsidization between rate classes. If the GS-3 and/or LP-4 rate classes were forced to face increased rates to pay for free electricity for other customers, that would

[4] Tr. at 1058-1061.
[5] 52 Pa. Code § 75.13(d).
[6] Tr at 1061.
[7] 52 Pa. Code § 75.13(d).

be cross subsidization. However, as witness Castanaro made clear, there is no free electricity, so we know that is not happening.[8]

PPL interchangeably claims that because it procures energy at wholesale rates and sells it at retail, and for customer generators the sales price to the customer-generator is essentially retail, that customers are paying a premium for the electricity from customer generators.[9] Paying for the energy at retail is what the AEPS Act requires.[10] Moreover, many of the "extra's" for which PPL would compensate a wholesale supplier, and which account for the difference between wholesale and retail, are not needed because the energy originates on PPL's distribution system, so those things are not part of the equation. PPL's net metering expense will rise, because it will be buying more energy from Customer-Generators, not because the price being paid to customer generators is increasing. And neither PPL nor its customers will need to pay more. Nowhere in its testimony does PPL say otherwise. There is no looming disaster. The AEPS Act is functioning as intended and there is no emergency or looming cataclysm that supports the need for the MRPL proposal in the first instance. What this means is that the MRPL proposal is a solution in search of a problem and in light of the devastating harm it will cause PDMP members and other customer generators, it is a solution that they do not need and cannot afford. For these reasons alone, the MRPL proposal and the Settlement that purports to resolve it should be rejected.

[8] Tr. at 1061.
[9] PPL Electric St. No. 15-RJ, p. 6.
[10] 73 P.S. § 1648.5.

2. The Proposed Settlement is Insufficient to Address the Known Harm to Customer-Generators.

As noted in the record, Schrack Farms has been continuously operating as a dairy farm for 250 years in the ownership of the same family. Schrack Farms, and other PDMP members operate anerobic digesters as a tool to reduce the odor and change the character of the manure produced by their 1400 cows to a useful product instead of a liability. A byproduct of the digester is methane gas which is then burned in a generator that produces electricity and also heat used in the dairy for space heating and hot water. The excess electricity is sold to PPL through the net metering process. Dairy Farmers with digesters are NOT the no-load Customer-Generators that PPL and others pillory in their testimony in this case. Nonetheless, the Settlement is not sufficient to protect the investments made in digesters and to ensure the viability of the dairy farms into the next generations.

a. The Grandfathering provision timeline is too short and too limited.

While PDMP appreciates that the parties agreed to grandfather even the small number of customer generators that it does, the provision is limited to 140 MW AC of generation. That small size means that there will be no chance for digesters not already installed to participate under the current rules, which means that there will be no more digesters built in the PPL service territory. Not only is the number of MW under the Cap too small, the duration of the grandfathering at 10 years is too short. Schrack Farms is not an outlier in the fact that it has been operated by ten or more generations of the same family. Dairy farmers have a much longer time reference when it comes to the viability of investments and limiting it to 10 years will impact farms' ability to recoup the investments they may have made in the last 10 years. As Mr. Harbach testified, they recently invested over a million dollars on a new generator. Ten years will not be enough time on their slim

margins to recover that investment. The timeline must be elongated so that farms are able to recover their investments made before PPL proposed its radical MRPL program.

Apart from the too-short length of time that the grandfathering will endure, the qualifications for being able to grandfather in the first place are far too restrictive. As witness Rensch testified, there are other digester projects on the cusp of beginning construction.[11] It is not clear if they will qualify under the 140 MW cap. Not only will the investments to date not be recoverable, but the financing arrangements for those projects are likely to be negatively impacted in a manner so that none are built. The prospect of projects that employ technology that has been endorsed and encouraged by the Governor and the General Assembly, not being able to be constructed will harm the farms and communities that will lose the benefits those digesters would have provided.

The timeline also impacts farms with existing digesters because of the fact that digesters are, in a sense, machines that require repair and replacement, and to the extent that a digester that may need extensive work within the ten year grandfathering period, it could well lose its grandfathered status if PPL were to consider its upgraded status as a new project, which based on history it is likely to do. Without assurances that maintenance or upgrades will not rescind grandfathered status, there is too much uncertainty in the Settlement to allow the PDMP to endorse it.

b. The Enhanced GSC-2 period is too short.

As noted above, the PDMP digester operators live, by necessity, with a more elongated period of return than many businesses. As such, the farm very well could be unable to recover

[11] PDMP Statement No. 2, 5:13-14.

invested capital under the enhanced GSC-2 period.[12] While the rates are substantially higher than the PTC initially proposed by PPL, the benefit is too short to provide the sort of rate stability that will allow the digesters to operate on the positive side of the ledger year over year.

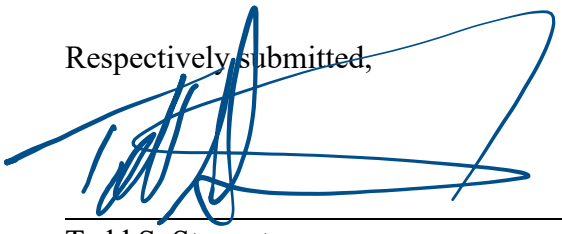
3. The Settlement is not in the Public Interest and Must be Revised or Rejected.

The record is clear that PDMP members made investments in anerobic digesters that involve a very large percentage of their capital and which cause significant operating costs year after year. The record is likewise clear that farms with digesters provide many tangible benefits over their fellow dairy farms without digesters. It also is clear that such projects were encouraged by the Commonwealth, as a solution to the aforementioned problems with manure disposal. Finally, it also is clear that while digesters are not the "no-load" generators attacked by PPL and others, they are bound to suffer the same fate, when there is no evidence of any actual or impending harm to any customer by following the requirements of the AEPS Act.

The Settlement makes no attempt to accommodate customer generators that are very different in many respects from others, and which, in addition to providing needed energy for the local grid, provide a host of other environmental benefits that enhance their local communities as well as waterways all over the Commonwealth. The Settlement fails utterly in this regard and in so doing, is not acceptable to the PDMP, which stands firm on its conclusion that the settlement is not in the public interest and that there is a complete and utter failure on the part of PPL and the Settling parties to prove that the Settlement is in the public interest. For that reason and all the reasons in this objection and in PDMP's testimony, the Settlement should be rejected as not in the public interest.

[12] Enhanced GSC-2 is used to denote structural changes to the GSC-2 components that will produce, in the present period, a GS-3 rate of $ 0.096 per kWh and an LP-4 rate of $ 0.126 per kWh.

Respectively submitted,



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