
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 291 Session of
2017

INTRODUCED BY LEACH AND HAYWOOD, FEBRUARY 6, 2017

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, FEBRUARY 6, 2017

AN ACT

1 Amending the act of November 30, 2004 (P.L.1672, No.213),
2 entitled "An act providing for the sale of electric energy
3 generated from renewable and environmentally beneficial
4 sources, for the acquisition of electric energy generated
5 from renewable and environmentally beneficial sources by
6 electric distribution and supply companies and for the powers
7 and duties of the Pennsylvania Public Utility Commission,"
8 further providing for alternative energy portfolio standards
9 and for portfolio requirements in other states.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Sections 3(b) and (f) and 4 of the act of
13 November 30, 2004 (P.L.1672, No.213), known as the Alternative
14 Energy Portfolio Standards Act, are amended to read:

15 Section 3. Alternative energy portfolio standards.

16 * * *

17 (b) Tier I and solar photovoltaic shares.--

18 (1) Two years after the effective date of this act, at
19 least 1.5% of the electric energy sold by an electric
20 distribution company or electric generation supplier to
21 retail electric customers in this Commonwealth shall be
22 generated from Tier I alternative energy sources. [Except as

1 provided in this section, the minimum percentage of electric
2 energy required to be sold to retail electric customers from
3 alternative energy sources shall increase to 2% three years
4 after the effective date of this act. The minimum percentage
5 of electric energy required to be sold to retail electric
6 customers from alternative energy sources shall increase by
7 at least 0.5% each year so that at least 8% of the electric
8 energy sold by an electric distribution company or electric
9 generation supplier to retail electric customers in that
10 certificated territory in the 15th year after the effective
11 date of this subsection is sold from Tier I alternative
12 energy resources.] The minimum percentage of electric energy
13 required to be sold to retail electric customers from
14 alternative energy sources shall be:

- 15 (i) 5.5% for June 1, 2016, through May 31, 2017.
- 16 (ii) 6% for June 1, 2017, through May 31, 2018.
- 17 (iii) 7.5% for June 1, 2018, through May 31, 2019.
- 18 (iv) 9% for June 1, 2019, through May 31, 2020.
- 19 (v) 10.5% for June 1, 2020, through May 31, 2021.
- 20 (vi) 12% for June 1, 2021, through May 31, 2022.
- 21 (vii) 13.5% for June 1, 2022, through May 31, 2023.
- 22 (viii) 15% for June 1, 2023, and thereafter.

23 (2) The total percentage of the electric energy sold by
24 an electric distribution company or electric generation
25 supplier to retail electric customers in this Commonwealth
26 that must be sold from solar photovoltaic technologies is:

- 27 (i) 0.0013% for June 1, 2006, through May 31, 2007.
- 28 (ii) 0.0030% for June 1, 2007, through May 31, 2008.
- 29 (iii) 0.0063% for June 1, 2008, through May 31,
30 2009.

- 1 (iv) 0.0120% for June 1, 2009, through May 31, 2010.
2 (v) 0.0203% for June 1, 2010, through May 31, 2011.
3 (vi) 0.0325% for June 1, 2011, through May 31, 2012.
4 (vii) 0.0510% for June 1, 2012, through May 31,
5 2013.
6 (viii) 0.0840% for June 1, 2013, through May 31,
7 2014.
8 (ix) 0.1440% for June 1, 2014, through May 31, 2015.
9 (x) 0.2500% for June 1, 2015, through May 31, 2016.
10 (xi) [0.2933%] 0.4857% for June 1, 2016, through May
11 31, 2017.
12 (xii) [0.3400%] 0.6306% for June 1, 2017, through
13 May 31, 2018.
14 (xiii) [0.3900%] 0.7755% for June 1, 2018, through
15 May 31, 2019.
16 (xiv) [0.4433%] 0.9204% for June 1, 2019, through
17 May 31, 2020.
18 (xv) [0.5000%] 1.0653% for June 1, 2020, [and
19 thereafter.] through May 31, 2021.
20 (xvi) 1.2102% for June 1, 2021, through May 31,
21 2022.
22 (xvii) 1.3551% for June 1, 2022, through May 31,
23 2023.
24 (xviii) 1.5000% for June 1, 2023, and thereafter.

25 (3) Upon commencement of the beginning of the 6th
26 reporting year, the commission shall undertake a review of
27 the compliance by electric distribution companies and
28 electric generation suppliers with the requirements of this
29 act. The review shall also include the status of alternative
30 energy technologies within this Commonwealth and the capacity

1 to add additional alternative energy resources. The
2 commission shall use the results of this review to recommend
3 to the General Assembly additional compliance goals beyond
4 year 15. The commission shall work with the department in
5 evaluating the future alternative energy resource potential.

6 * * *

7 (f) Alternative compliance payment.--

8 (1) At the end of each program year, the program
9 administrator shall provide a report to the commission and to
10 each covered electric distribution company showing their
11 status level of alternative energy acquisition.

12 (2) The commission shall conduct a review of each
13 determination made under subsections (b) and (c). If, after
14 notice and hearing, the commission determines that an
15 electric distribution company or electric generation supplier
16 has failed to comply with subsections (b) and (c), the
17 commission shall impose an alternative compliance payment on
18 that company or supplier.

19 (3) The alternative compliance payment, with the
20 exception of the solar photovoltaic share compliance
21 requirement set forth in subsection (b)(2), shall be \$45
22 times the number of additional alternative energy credits
23 needed in order to comply with subsection (b) or (c).

24 (4) The alternative compliance payment for the solar
25 photovoltaic share shall be [200% of the average market value
26 of solar renewable energy credits sold during the reporting
27 period within the service region of the regional transmission
28 organization, including, where applicable, the levelized up-
29 front rebates received by sellers of solar renewable energy
30 credits in other jurisdictions in the PJM Interconnection,

1 L.L.C. transmission organization (PJM) or its successor.] as
2 follows:

3 (i) For June 1, 2016, through May 31, 2017, \$200 per
4 megawatt hour.

5 (ii) For June 1, 2017, through May 31, 2018, \$175
6 per megawatt hour.

7 (iii) For June 1, 2018, through May 31, 2019, \$150
8 per megawatt hour.

9 (iv) For June 1, 2019, through May 31, 2020, \$125
10 per megawatt hour.

11 (v) For June 1, 2020, through May 31, 2021, \$100 per
12 megawatt hour.

13 (vi) For June 1, 2021, through May 31, 2022, \$75 per
14 megawatt hour.

15 (vii) For June 1, 2022, and thereafter, \$50 per
16 megawatt hour.

17 (5) The commission shall establish a process to provide
18 for, at least annually, a review of the alternative energy
19 market within this Commonwealth and the service territories
20 of the regional transmission organizations that manage the
21 transmission system in any part of this Commonwealth. The
22 commission will use the results of this study to identify any
23 needed changes to the cost associated with the alternative
24 compliance payment program. If the commission finds that the
25 costs associated with the alternative compliance payment
26 program must be changed, the commission shall present these
27 findings to the General Assembly for legislative enactment.

28 * * *

29 Section 4. Portfolio requirements in other states.

30 (a) Requirements.--If an electric distribution supplier or

1 electric generation company provider sells electricity in any
2 other state and is subject to renewable energy portfolio
3 requirements in that state, they shall list any such requirement
4 and shall indicate how it satisfied those renewable energy
5 portfolio requirements. To prevent double-counting, the electric
6 distribution supplier or electric generation company shall not
7 satisfy Pennsylvania's alternative energy portfolio requirements
8 using alternative energy used to satisfy another state's
9 portfolio requirements or alternative energy credits already
10 purchased by individuals, businesses or government bodies that
11 do not have a compliance obligation under this act unless the
12 individual, business or government body sells those credits to
13 the electric distribution company or electric generation
14 supplier. Energy derived from alternative energy sources inside
15 the geographical boundaries of this Commonwealth shall be
16 eligible to meet the compliance requirements under this act.
17 Energy derived from alternative energy sources located outside
18 the geographical boundaries of this Commonwealth but within the
19 service territory of a regional transmission organization that
20 manages the transmission system in any part of this Commonwealth
21 shall only be eligible to meet the compliance requirements of
22 electric distribution companies or electric generation suppliers
23 located within the service territory of the same regional
24 transmission organization. For purposes of compliance with this
25 act, alternative energy sources located in the PJM
26 Interconnection, L.L.C. regional transmission organization (PJM)
27 or its successor service territory shall be eligible to fulfill
28 compliance obligations of all Pennsylvania electric distribution
29 companies and electric generation suppliers. Energy derived from
30 alternative energy sources located outside the service territory

1 of a regional transmission organization that manages the
2 transmission system in any part of this Commonwealth shall not
3 be eligible to meet the compliance requirements of this act.
4 Electric distribution companies and electric generation
5 suppliers shall document that this energy was not used to
6 satisfy another state's renewable energy portfolio standards.

7 (b) Solar photovoltaic technology.--To meet the requirements
8 of this section, all solar photovoltaic technology registered
9 after the effective date of this subsection shall directly
10 deliver the electricity it generates to the distribution system
11 operated by an electric distribution company operating within
12 this Commonwealth and currently obligated to meet the compliance
13 requirements contained in this act.

14 Section 2. This act shall apply to contracts for the
15 purchase of solar alternative energy entered into after May 31,
16 2016, by entities with a solar alternative energy portfolio
17 standard compliance obligation.

18 Section 3. This act shall take effect in 60 days.