THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 550

Session of 2023

INTRODUCED BY BROWN, KEARNEY, LAUGHLIN, CAPPELLETTI, SCHWANK, SANTARSIERO, TARTAGLIONE AND REGAN, APRIL 13, 2023

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, APRIL 13, 2023

AN ACT

1	Amending Title 66 (Public Utilities) of the Pennsylvania
2	Consolidated Statutes, providing for community solar facilities.
4	The General Assembly of the Commonwealth of Pennsylvania
5	hereby enacts as follows:
6	Section 1. Title 66 of the Pennsylvania Consolidated
7	Statutes is amended by adding a chapter to read:
8	CHAPTER 30A
9	COMMUNITY SOLAR FACILITIES
10	Sec.
11	30A01. Findings and declarations.
12	30A02. Definitions.
13	30A03. Community solar facilities, electric distribution
14	companies and subscriber administrators.
15	30A04. Interconnection standards for community solar
16	facilities.
17	30A05. Unsubscribed energy.

30A06. Customer participation in community solar programs.

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- 1 30A07. Location of multiple community solar facilities.
- 2 <u>30A08</u>. Decommissioning, recycling and photovoltaic panel
- 3 removal.
- 4 <u>30A09</u>. Grid services payment.
- 5 <u>30A10. Prevailing wage for construction of community solar</u>
- 6 <u>facilities.</u>
- 7 § 30A01. Findings and declarations.
- 8 The General Assembly finds and declares as follows:
- 9 (1) Community solar generation can foster economic
- 10 growth as well as opportunities for competition and
- 11 <u>innovative business models.</u>
- 12 (2) Growth in solar generation will provide family-
- 13 <u>sustaining jobs and investments in this Commonwealth.</u>
- 14 (3) Programs for community solar generation provide
- customers with additional energy choices and access to
- 16 <u>affordable energy options.</u>
- 17 (4) Community solar programs provide customers,
- including homeowners, renters and businesses, access to the
- 19 benefits of Pennsylvania community solar energy generation
- that is unconstrained by the physical attributes of their
- 21 home or business, including roof space, shading or ownership
- 22 status.
- 23 (5) In addition to its provision of standard electricity
- 24 <u>market commodities and services, local solar energy</u>
- 25 generation can contribute to a more resilient grid and defer
- 26 <u>the need for costly new transmission and distribution system</u>
- investment.
- 28 <u>(6) The intent of this chapter is to:</u>
- 29 <u>(i) Allow electric distribution customers of this</u>
- 30 Commonwealth to subscribe to a portion of a community

	solar ractifity and have the result of the subscription be
2	guaranteed savings.
3	(ii) Reasonably allow for the creation, financing,
4	accessibility and operation of third-party-owned
5	community solar generating facilities and enable robust
6	customer participation.
7	(iii) Encourage the development of community solar
8	programs that will facilitate participation by and for
9	accessibility and operation of third-party owned
10	community solar generating facilities and enables robust
11	customer participation.
12	(iv) Encourage the development of community solar
13	programs that will facilitate participation by and for
14	the benefit of low-income and moderate-income customers
15	and the communities in which they live, reduce barriers
16	to participation by renters and small businesses, promote
17	affordability and improve access to basic utility
18	services.
19	(v) Enable a community solar market through
20	innovative technologies without the need for full retail
21	rate net metering.
22	(vi) Compensate the electric distribution companies
23	for efficient and reliable integration of these resources
24	into distribution systems through cost recovery and
25	treatment of payments for grid services as regulatory
26	<u>assets.</u>
27	(vii) Enable a community solar marketplace in this
28	Commonwealth without requiring State or municipal tax
29	resources.
30	§ 30A02. Definitions.

- 1 The following words and phrases when used in this chapter
- 2 shall have the meanings given to them in this section unless the
- 3 <u>context clearly indicates otherwise:</u>
- 4 <u>"Bill credit." The commission-approved monetary value of</u>
- 5 <u>each kilowatt hour of electricity generated by a community solar</u>
- 6 <u>facility and allocated to a subscriber's monthly bill to offset</u>
- 7 any part of the subscriber's retail electric bill other than
- 8 volumetric or demand-based distribution charges.
- 9 "Brownfield or rooftop community solar facility." A facility
- 10 that meets the definition of community solar facility and is
- 11 primarily located on land that is regulated by the Department of
- 12 <u>Environmental Protection under the following programs:</u>
- 13 <u>(1) The Land Recycling Program.</u>
- 14 <u>(2) The Solid Waste Program.</u>
- 15 (3) The Abandoned Mine Reclamation Proclamation.
- 16 "Commission." The Pennsylvania Public Utility Commission.
- 17 "Community solar facility." A facility that:
- 18 <u>(1) Is located within this Commonwealth.</u>
- 19 (2) Is connected to and delivers electricity to a
- distribution system operated by an electric distribution
- 21 <u>company operating in this Commonwealth and in compliance with</u>
- 22 <u>requirements under this chapter.</u>
- 23 (3) Generates electricity by means of a solar
- 24 <u>photovoltaic device with a nameplate capacity rating that</u>
- does not exceed:
- 26 <u>(i) 5,000 kilowatts of alternating current for</u>
- facilities that are not brownfield or rooftop community
- 28 solar facilities; and
- 29 (ii) 20,000 kilowatts of alternating current for
- facilities that are brownfield or rooftop community solar

- 1 facilities.
- 2 (4) Has no single subscriber who subscribes to more than
- 3 50% of the facility capacity in kilowatts or output in
- 4 <u>kilowatt hours, except for master-metered multifamily</u>
- 5 <u>residential and commercial buildings. No less than 50% of the</u>
- 6 <u>facility capacity shall be subscribed by subscriptions of 25</u>
- 7 <u>kilowatts or less.</u>
- 8 (5) Credits some or all of the community solar facility
- 9 generated electricity to the bills of subscribers.
- 10 (6) May be located remotely from a subscriber's premises
- and may not be required to provide energy to on-site load.
- 12 <u>(7) Must be owned or operated by a community solar</u>
- 13 <u>organization</u>.
- 14 "Community solar organization." An entity that owns or
- 15 operates one or more community solar facilities that is not
- 16 required to be an existing retail electric customer and purchase
- 17 electricity directly from the electric distribution company,
- 18 serve electric load independent of the community solar facility
- 19 or operate under an account held by the same individual or legal
- 20 entity of the subscribers to the community solar facility. A
- 21 community solar organization shall not be deemed a utility
- 22 <u>solely as a result of its ownership or operation of a community</u>
- 23 solar facility.
- 24 "Decommissioning plan." A document on file with the county
- 25 recorder of deeds detailing the steps that will be taken to
- 26 decommission a community solar facility and the amount, form and
- 27 <u>timing of financial assurance.</u>
- 28 "Electric distribution company." As defined in section 2803
- 29 <u>(relating to definitions).</u>
- 30 "Electric distribution customer." A customer that takes

- 1 <u>electric distribution service from an electric distribution</u>
- 2 company, regardless of whether the company is the customer's
- 3 <u>supplier of electric generation or not.</u>
- 4 <u>"Grid services." Services provided by smart inverter</u>
- 5 technology to support the grid and enhance reliability.
- 6 "Guaranteed savings." Realized savings as the difference
- 7 between the cost of a subscription to a community solar facility
- 8 and the credit received for the generation attributed to the
- 9 <u>subscription</u>.
- 10 <u>"Initial and replacement subscribers." Each subscriber to a</u>
- 11 <u>single community solar facility over the life of the facility.</u>
- 12 <u>"Pennsylvania Prevailing Wage Act." The act of August 15,</u>
- 13 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing
- 14 Wage Act.
- 15 "Price to compare." The price per kilowatt hour, as used in
- 16 section 2807 (relating to duties of electric distribution
- 17 companies), based on an electric distribution company's
- 18 <u>electricity payments during the last two years of PJM wholesale</u>
- 19 energy market auctions which includes generation and
- 20 <u>transmission</u>, <u>Pennsylvania's gross receipts tax and electric</u>
- 21 distribution company charges for implementation of the
- 22 <u>alternative energy portfolio standards.</u>
- 23 "Smart inverter." A device that converts direct current into
- 24 alternating current and can autonomously contribute to grid
- 25 support by providing each of the following:
- 26 (1) Dynamic reactive and real power support.
- 27 (2) Voltage and frequency ride-through.
- 28 <u>(3) Ramp rate controls.</u>
- 29 <u>(4) Communication systems.</u>
- 30 "Subscriber." An electric distribution customer of an

- 1 <u>electric distribution company who contracts for one or more</u>
- 2 subscriptions of a community solar facility interconnected with
- 3 the customer's electric distribution company. The term includes
- 4 <u>an electric distribution customer who owns a portion of a </u>
- 5 <u>community solar facility.</u>
- 6 "Subscriber administrator." An entity that recruits and
- 7 <u>enrolls subscribers, administers subscriber participation in one</u>
- 8 or more community solar facilities and manages the subscription
- 9 relationship between subscribers and an electric distribution
- 10 company. The term may include a community solar organization and
- 11 <u>shall not be considered a utility solely as a result of a</u>
- 12 <u>subscriber administrator's operation or ownership of a community</u>
- 13 solar facility.
- 14 <u>"Subscription." A contract between a subscriber and a</u>
- 15 subscriber administrator of a community solar facility that
- 16 entitles the subscriber to a bill credit measured per kilowatt
- 17 hour and applied against the subscriber's retail electric bill.
- 18 <u>"Threshold date." The date by which the commission has</u>
- 19 approved a tariff filed by a utility under section 30A09(b)(2)
- 20 <u>(relating to grid services payment) and no earlier than seven</u>
- 21 years from the effective date of this section.
- 22 "Unsubscribed energy." The output of a community solar
- 23 facility, measured in kilowatt hours, that is not allocated to
- 24 subscribers.
- 25 § 30A03. Community solar facilities, electric distribution
- 26 <u>companies and subscriber administrators.</u>
- 27 <u>(a) Authorization.--</u>
- 28 (1) A community solar facility may be developed, built,
- 29 owned or operated by a third-party community solar
- 30 organization or a subscriber administrator.

1	<u>(2) A community solar organization may serve as a </u>
2	subscriber administrator or may contract with a third party
3	to serve as a subscriber administrator on behalf of the
4	community solar organization.
5	(3) A subscriber to community solar facilities shall
6	receive a monetary bill credit for every kilowatt hour
7	produced by the subscriber's subscription. A community solar
8	facility that demonstrates the following permission to
9	operate, shall have the initial and replacement subscribers
10	of the community solar facility receive a credit equivalent
11	to the electric distribution company's price to compare for
12	25 years from the date the community solar facility receives
13	<pre>permission to operate:</pre>
14	(i) an executed interconnection agreement with an
15	electric distribution company obtained through the
16	process governed by 52 Pa. Code Ch. 75 (relating to
17	alternative energy portfolio standards);
18	(ii) proof of site control;
19	(iii) required nonministerial permits;
20	(iv) a signed agreement for a commission-approved
21	workforce development requirement; and
22	(v) proof that the project is, or, if not yet
23	constructed, an attestation that the project will be, in
24	compliance with section 30A10 (relating to prevailing
25	wage for construction of community solar facilities).
26	(4) The terms and conditions of receiving the bill
27	credit may not limit or inhibit participation of subscribers
28	from any rate class.
29	(5) An electric distribution company shall allow for the
30	transferability and portability of subscriptions if the

1	subscriber relocates within the same electric distribution
2	<pre>company territory.</pre>
3	(6) A subscriber administrator shall be allowed to
4	update the subscriber administrator's list of subscribers and
5	the subscribers' relevant information in a standardized
6	electronic format approved by the commission on at least a
7	monthly basis.
8	(b) Customer protection
9	(1) Community solar organizations and subscriber
10	administrators shall be subject to the customer protection
11	provisions under Chapters 14 (relating to responsible utility
12	customer protection) and 15 (relating to service and
13	facilities) and 52 Pa. Code Ch. 56 (relating to standards and
14	billing practices for residential public utility service).
15	The commission shall establish regulations that provide for
16	the protection of residential customers who have
17	subscriptions with community solar organizations or
18	subscriber administrators.
19	(2) The commission shall develop a standardized customer
20	disclosure form for residential customers that identifies key
21	information that must be provided by subscriber
22	administrators to potential residential subscribers,
23	including future costs and benefits of subscriptions and
24	subscribers' rights and obligations pertaining to
25	subscriptions.
26	(3) Subscription costs for subscribers may not exceed
27	the value of the bill credit and may not include any upfront
28	or sign-on fees or credit checks. Subscription costs are
29	nonbasic utility charges. Failure to pay a subscription may
30	result in the loss of community solar subscription but shall

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- 1 <u>not impact utility services.</u>
- 2 (4) The commission shall maximize benefits and minimize
- 3 costs to all rate classes, notwithstanding participation in
- 4 <u>the community solar program.</u>
- 5 (c) Duties of electric distribution companies. --
- 6 (1) On a monthly basis, an electric distribution company
- 7 <u>shall provide to a community solar organization and</u>
- 8 <u>subscriber administrator a report in a standardized</u>
- 9 <u>electronic format indicating the total value of the bill</u>
- 10 <u>credit generated by the community solar facility in the prior</u>
- 11 month, the calculation used to arrive at the total value of
- 12 <u>the bill credit and the amount of the bill credit applied to</u>
- each subscriber.
- 14 (2) An electric distribution company shall provide a
- 15 bill credit to a subscriber's next monthly electric bill for
- the proportional output of a community solar facility
- 17 attributable to the subscriber. Excess credits on a
- 18 <u>subscriber's bill shall roll over from month to month. Excess</u>
- 19 credits shall automatically be applied to the final electric
- bill when a subscription is terminated for any cause.
- 21 (3) If requested by a community solar organization and
- 22 <u>if agreed to by the electric distribution company, the</u>
- 23 electric utility shall enter into a net crediting agreement
- 24 with the community solar organization to include a
- 25 <u>subscriber's subscription fee on the monthly bill and provide</u>
- the customer with a net credit equivalent to the total bill
- 27 <u>credit value for that generation period minus the</u>
- 28 subscription fee, provided the subscription fee. The net
- 29 <u>crediting agreement shall specify payment terms from the</u>
- 30 electric distribution company to the community solar

- 1 <u>organization and electric distribution companies may charge a</u>
- 2 <u>net crediting fee to the community solar organization that</u>
- 3 may not exceed 1% of the bill credit value. A nonresidential
- 4 <u>customer may subscribe to multiple community solar</u>
- 5 <u>facilities, except that no more than one of the subscriptions</u>
- 6 <u>may be under a net credit agreement with an electric</u>
- 7 <u>distribution company. The electric distribution company shall</u>
- 8 <u>remain responsible for billing all basic electric services,</u>
- 9 <u>including transmission, distribution and generation charges,</u>
- 10 <u>consistent with this part and commission regulations.</u>
- 11 <u>Customer services provided by the electric distribution</u>
- 12 <u>company shall also be maintained, at a minimum, consistent</u>
- with existing standards prior to implementation of a
- 14 <u>community solar organization under this title and commission</u>
- 15 <u>regulation</u>.
- 16 <u>(4) An electric distribution company may not charge a</u>
- 17 community solar facility, a community solar organization or a
- subscriber to a community solar facility a fee or other type
- 19 of charge unless the fee or charge would apply to other
- 20 <u>customers that are not a community solar facility, a</u>
- 21 community solar organization or a subscriber to a community
- 22 <u>solar facility, except as provided in this chapter. The</u>
- 23 electric distribution company may not require additional
- 24 <u>equipment or insurance or impose any other requirement unless</u>
- 25 the additional equipment, insurance or other requirement is
- 26 specifically authorized by order of the commission, except as
- 27 provided in sections 30A04(a)(2) (relating to interconnection
- 28 standards for community solar facilities) and 30A09(d)
- 29 <u>(relating to grid services payment).</u>
- 30 (d) Electric distribution company cost recovery and

1 compensation. --

- 2 (1) A community solar organization shall compensate an
 3 electric distribution company for the electric distribution
 4 company's reasonable costs of interconnection of a community
- 5 <u>solar facility.</u>
- 6 (2) An electric distribution company may recover
- 7 reasonable costs, subject to approval by the commission, to
- 8 <u>administer a community solar program within the electric</u>
- 9 <u>distribution company's service territory.</u>
- 10 (3) An electric distribution company shall, subject to
- 11 approval by the commission, be entitled to recover any
- 12 <u>additional costs from the bill credits in subsection (a)(3)</u>
- 13 <u>after using the energy, capacity and avoided distribution and</u>
- 14 <u>transmission value provided by community solar facilities to</u>
- offset the purchase requirements in PJM.
- 16 § 30A04. Interconnection standards for community solar
- 17 facilities.
- 18 (a) Applications. -- Beginning on the effective date of this
- 19 section, an electric distribution company:
- 20 <u>(1) Shall accept interconnection applications for</u>
- 21 community solar facilities on a nondiscriminatory basis and
- 22 <u>study the impact of interconnecting the facilities to the</u>
- 23 grid using the current commission-approved interconnection
- 24 <u>rules and tariffs and in accordance with best practices.</u>
- 25 (2) May impose a fee after an initial scoping meeting of
- 26 up to \$2 per kilowatt as measured in nominal DC nameplate
- 27 <u>capacity for community solar facilities. The fees shall be</u>
- 28 used to offset the electric distribution company's study
- 29 costs for the facility, if not already covered by other fees,
- 30 or any costs associated with the electric distribution

- 1 <u>company's implementation of the community solar program.</u>
- 2 (3) Shall include, in an interconnection application for
- 3 <u>a community solar facility, proof of site control for the</u>
- 4 purposes of the study under paragraph (1).
- 5 (b) Interconnection Working Group. -- Within 90 days of the
- 6 <u>effective date of this section</u>, the commission shall establish
- 7 <u>an Interconnection Working Group between electric distribution</u>
- 8 companies and stakeholders with oversight from commission
- 9 staff. The Interconnection Working Group shall review and change
- 10 any policies, processes, tariffs, rules or standards associated
- 11 with the interconnection of community solar facilities with the
- 12 goal of transparency, accuracy and efficiency to support the
- 13 <u>achievement of the objectives in this chapter. The</u>
- 14 <u>Interconnection Working Group shall report back to the</u>
- 15 commission recommended changes within 270 days of the effective
- 16 date of this section, and the commission shall codify changes to
- 17 the State jurisdictional interconnection rules.
- 18 <u>(c) Administrative fees.--The commission may impose an</u>
- 19 administrative fee on an initial interconnection application for
- 20 community solar facilities. The commission may apply a fee up to
- 21 5% of the electric distribution company's initial
- 22 interconnection application fees generated under this subsection
- 23 for administrative expenses directly associated with this
- 24 chapter.
- 25 § 30A05. Unsubscribed energy.
- The electric distribution company shall purchase the credits
- 27 <u>from a community solar facility at the electric distribution</u>
- 28 company's wholesale energy cost as approved by the commission.
- 29 To offset any real or perceived costs, an electric distribution
- 30 company shall sell unsubscribed energy to PJM energy markets or

- 1 <u>otherwise decrease energy purchases.</u>
- 2 § 30A06. Customer participation in community solar programs.
- 3 (a) Establishment.--Not later than 365 days after the
- 4 <u>effective date of this section</u>, the commission shall establish
- 5 regulations to enable participation in community solar programs
- 6 by each customer class and economic group.
- 7 (b) Authority. -- In order to facilitate the prompt
- 8 implementation of this chapter, the commission and the
- 9 Department of Environmental Protection may promulgate temporary
- 10 regulations that shall expire no later than two years following
- 11 the publication of the temporary regulations. The commission may
- 12 promulgate temporary regulations not subject to:
- 13 (1) Section 612 of the act of April 9, 1929 (P.L.177,
- 14 No.175), known as The Administrative Code of 1929.
- 15 (2) Sections 201, 202, 203, 204 and 205 of the act of
- 16 <u>July 31, 1968 (P.L.769, No.240), referred to as the</u>
- 17 Commonwealth Documents Law.
- 18 (3) Sections 204(b) and 301(10) of the act of October
- 19 15, 1980 (P.L.950, No.164), known as the Commonwealth
- 20 <u>Attorneys Act.</u>
- 21 (4) The act of June 25, 1982 (P.L.633, No.181), known as
- 22 <u>the Regulatory Review Act.</u>
- 23 (c) Expiration. -- The authority of the commission and the
- 24 Department of Environmental Protection to adopt temporary
- 25 regulations under subsection (b) shall expire six months after
- 26 the effective date of this section. Regulations adopted after
- 27 this period shall be promulgated as provided by law.
- 28 (d) Contents. -- The regulations shall:
- 29 (1) Be based on consideration of formal and informal
- 30 input from all stakeholders.

1	(2) Establish requirements that ensure access to
2	programs and equitable opportunities for participation for
3	residential and small commercial customer classes.
4	(3) Establish a registration process for community solar
5	organizations.
6	(4) Address the reasonable enforcement of minimum
7	subscription requirements, as required by the definition of
8	"community solar facility" in section 30A02 (relating to
9	definitions).
10	(5) The commission, in collaboration with the Office of
11	Consumer Advocate, electric distribution companies, community
12	solar organizations and low-income stakeholders, may, by
13	regulation, adopt mechanisms to ensure participation by low-
14	income customers.
15	(e) Report No later than five years after the effective
16	date of this section, the commission shall submit a report to
17	the General Assembly detailing the participation in community
18	solar programs by each customer class and economic group,
19	including the participation by low-income customers.
20	§ 30A07. Location of multiple community solar facilities.
21	The commission shall, by regulation, establish limitations on
22	the location of multiple community solar facilities in close
23	proximity. The regulations shall:
24	(1) Prohibit an entity or affiliated entity under common
25	control from developing, owning or operating more than one
26	community solar facility on the same parcel or contiguous
27	parcels of land.
28	(2) Authorize individual brownfield or rooftop community
29	solar facilities to be sited on contiguous parcels if the

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total brownfield or rooftop community solar facility capacity

- on all contiguous parcels does not exceed the limits
- 2 established by the commission.
- 3 § 30A08. Decommissioning, recycling and photovoltaic panel
- 4 removal.
- 5 (a) Decommissioning plan. -- The subscriber organization shall
- 6 establish and be responsible for the decommissioning of the
- 7 system, including removal, potential reuse and recycling of
- 8 panels, and the remediation of the site at the end of the
- 9 <u>facility's useful life. The following shall apply:</u>
- 10 (1) The community solar organization shall be
- 11 <u>responsible for decommissioning the community solar facility</u>
- 12 <u>no later than 18 months after the community solar facility</u>
- has ceased electrical generation.
- 14 (2) The amount of financial assurance shall not be
- calculated to be less than \$10,000 per megawatt of AC
- 16 <u>nameplate capacity.</u>
- 17 (3) No more than 20% of the total combined mass of the
- 18 <u>community solar facility may enter a landfill.</u>
- 19 (4) Within 180 days of the effective date of this
- 20 <u>section</u>, the Department of Environmental Protection shall
- 21 develop a standard form for a decommissioning plan and
- financial assurance to be filed in accordance with this
- chapter.
- 24 § 30A09. Grid services payment.
- 25 (a) Tariff. -- Within 90 days of the effective date of this
- 26 section, an electric distribution company shall file a petition
- 27 <u>with the commission requesting approval of the electric</u>
- 28 <u>distribution company's tariff to provide the grid</u> services
- 29 payment to a community solar facility owner. The tariff shall be
- 30 available to owners of community solar facilities that have

- 1 <u>installed a smart inverter that applies the settings detailed in</u>
- 2 the tariff. The settings shall serve the purpose of preserving
- 3 <u>reliability without negatively affecting the operation or</u>
- 4 production of the community solar facility. Nothing under this
- 5 section shall negate or supersede Institute of Electrical and
- 6 <u>Electronics Engineers interconnection standards or requirements</u>
- 7 <u>or other similar standards or requirements.</u>
- 8 (b) Payment. -- A community solar facility owner may apply for
- 9 <u>a grid services payment as provided for under this section. The</u>
- 10 <u>following apply:</u>
- 11 (1) Until the threshold date, the value shall be an
- 12 <u>annual payment of 18¢ per watt of nameplate generating</u>
- 13 <u>capacity, measured as nominal DC capacity output, of a</u>
- 14 community solar facility. The payment shall be paid to a
- 15 community solar facility annually for the first five years of
- 16 <u>operation</u>.
- 17 (2) After the threshold date, the value shall be
- determined by the commission and set at a rate and term that
- 19 will ensure the reasonable continuation of the community
- 20 solar market established in this chapter.
- 21 (3) Notwithstanding the application date, an electric
- 22 <u>utility shall issue the first payment under this subsection</u>
- 23 no later than 60 days after the applicant has shown proof
- 24 that 75% of the nameplate capacity of the community solar
- 25 <u>facility has been subscribed.</u>
- 26 (c) Review.--The commission shall review the proposed tariff
- 27 <u>submitted under this section and may make changes to the tariff</u>
- 28 that are consistent with this section and with the commission's
- 29 authority, subject to notice and hearing. The commission shall
- 30 have 180 days to approve the tariff.

- 1 (d) Alternative energy credits. -- Alternative energy credits
- 2 produced by a community solar facility that receives a grid
- 3 <u>services payment shall be given to the electric distribution</u>
- 4 company for the first 25 years of production specified in the
- 5 <u>introductory paragraph of section 30A03(a)(3) (relating to</u>
- 6 community solar facilities, electric distribution companies and
- 7 <u>subscriber administrators</u>) and may be used for compliance with
- 8 the requirements from the act of November 30, 2004 (P.L.1672,
- 9 No.213), known as the Alternative Energy Portfolio Standards
- 10 Act, sold in market or used for cost recovery and the treatment
- 11 of payments for the program. The electric distribution company
- 12 <u>may require reasonable security from the community solar</u>
- 13 organization, not to exceed 25% of the nominal value of the sum
- 14 total of all grid services payments to the community solar
- 15 <u>facility owner, reduced ratably over the 25-year term. Security</u>
- 16 shall be provided from the community solar facility owner to the
- 17 electric distribution company through a surety bond, letter of
- 18 credit, escrow account or investment-grade parent company
- 19 quarantee at the time the first grid service payment is
- 20 <u>received. The electric utility's tariff shall outline the terms</u>
- 21 and conditions and must allow for, at a minimum:
- 22 (1) a reasonable minimum capacity factor and yield to
- determine annual production for different types of projects
- that takes into account degradation and year-one production
- 25 <u>variability;</u>
- 26 (2) allowance for banking excess credits in any
- 27 <u>production year in the two subsequent production years;</u>
- 28 (3) the ability to use replacement alternative energy
- 29 <u>credits of equivalent value; and</u>
- 30 (4) the ability to reduce security, if 25-year

- 1 production is met early.
- 2 (e) Carbon budget trading markets. -- A community solar
- 3 <u>facility that receives a grid services payment shall not qualify</u>
- 4 for any investment funds resulting from the Commonwealth's
- 5 participation in the Regional Greenhouse Gas Initiative or any
- 6 <u>other carbon budget trading market.</u>
- 7 (f) Cost recovery. -- An electric distribution company shall
- 8 recover from the electric distribution company's customers the
- 9 costs of the grid services payment made under a tariff or
- 10 tariffs placed into effect under this section, the value of the
- 11 <u>services payments and costs incurred by the utility to comply</u>
- 12 with and implement this section, in accordance with the
- 13 following:
- 14 (1) The electric distribution company shall defer the
- full amount of its costs incurred under this section as a
- 16 regulatory asset. The full amount of costs deferred as a
- 17 regulatory asset shall be amortized over a period of time
- that is at least equal in length to the useful life of the
- 19 smart inverters associated with the payments.
- 20 (2) After the commission has approved the prudence and
- 21 reasonableness of the costs that comprise the regulatory
- asset, the electric distribution company shall be permitted
- 23 to recover the costs and the value and recoverability through
- rates of the associated regulatory asset may not be limited,
- 25 <u>altered, impaired or reduced.</u>
- 26 § 30A10. Prevailing wage for construction of community solar
- 27 <u>facilities.</u>
- 28 (a) Application. -- A community solar facility for which a
- 29 credit is sought and awarded to a subscriber under this chapter
- 30 is deemed to meet each of the minimum requirements necessary to

- 1 apply the wage and benefit rates, and related certification of
- 2 payroll records, required by the act of August 15, 1961
- 3 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage
- 4 Act. A community solar organization and its agents, contractors
- 5 and subcontractors must comply with the Pennsylvania Prevailing
- 6 Wage Act in compliance with section 30A03(a)(3)(iv) (relating to
- 7 community solar facilities, electric distribution companies and
- 8 subscriber administrators) undertaken at the community solar
- 9 <u>facility in which credits for subscribers are sought and</u>
- 10 <u>awarded</u>.
- 11 (b) Violation. -- The Department of Labor and Industry shall
- 12 enforce this section and shall apply the same administration and
- 13 <u>enforcement applicable under the requirements of the</u>
- 14 Pennsylvania Prevailing Wage Act to ensure compliance. In
- 15 <u>addition to enforcement authorized under the Pennsylvania</u>
- 16 Prevailing Wage Act and subsection (a), if the Department of
- 17 Labor and Industry determines that the community solar
- 18 <u>organization intentionally failed to pay prevailing wage rates</u>
- 19 or benefit rates as specified under section 11(h) of the
- 20 Pennsylvania Prevailing Wage Act for work covered under
- 21 subsection (a), the community solar organization or the
- 22 community solar organization's agent shall pay a fine equivalent
- 23 to 10% of the value of the bill credit multiplied by the
- 24 estimated 25-year production of the community solar facility.
- 25 Section 2. This act shall take effect in 60 days.