
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2174 Session of
2003

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TANGRETTI, VEON, VITALI, WATSON, YOUNGBLOOD, YUDICHAK AND
E. Z. TAYLOR, NOVEMBER 24, 2003

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, NOVEMBER 24, 2003

AN ACT

1 Providing for the sale of electric energy generated from
2 renewable sources, for the acquisition of this power by
3 electric distribution and supply companies and for the powers
4 and duties of the Pennsylvania Public Utility Commission; and
5 imposing penalties.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Renewable
10 Portfolio Standards Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Commission." The Pennsylvania Public Utility Commission.

16 "Electric distribution company." An incorporated entity that
17 receives electric power from an electric generator and

1 distributes that power to consumers.

2 "Electric generation supplier." An incorporated entity that
3 generates and supplies electric power.

4 "Renewable energy credit." A tradable instrument that is
5 used to track and verify compliance with the provisions of this
6 act.

7 "Renewable portfolio standards." Standards establishing that
8 a certain amount of renewable energy is included as part of the
9 sources of electric generation by electric utilities within this
10 Commonwealth.

11 "Renewable resources." Any of the following:

12 (1) Solar photovoltaic energy.

13 (2) Solar thermal energy.

14 (3) Wind power.

15 (4) Low-impact hydropower.

16 (5) Geothermal energy.

17 (6) Biologically derived methane gas.

18 (7) Energy from waste and sustainable biomass energy.

19 The term does not include municipal solid, industrial, residual
20 or any hazardous waste burned for the generation of electric
21 energy.

22 Section 3. Renewable portfolio standard.

23 (a) General rule.--In the tenth year after the effective
24 date of this section and each year thereafter, at least 10% of
25 the electric energy sold by an electric distribution company or
26 electric generation supplier to retail customers in this
27 Commonwealth shall be generated from renewable resources. Such
28 electric energy generated from renewable resources shall be
29 generated at facilities within the geographic limits of an
30 independent system operator that operates a transmission system

1 and interstate power pool delivering electric energy to retail
2 customers in this Commonwealth.

3 (b) Phase-in.--

4 (1) One year after the effective date of this section,
5 at least 2.5% of the electric energy sold by an electric
6 distribution company or electric generation supplier to
7 retail customers in this Commonwealth shall be generated from
8 renewable resources.

9 (2) Except as provided in paragraph (3), the minimum
10 percentage of electric energy required to be generated from
11 renewable resources shall increase to 3% two years after the
12 effective date of this section and shall increase by an
13 additional 0.5% for each succeeding year thereafter.

14 (3) After the expiration of the period for collection of
15 the competitive transition charge from retail customers in an
16 individual certificated territory, the minimum percentage of
17 electric energy required to be generated from renewable
18 resources shall increase by an equal amount in each year so
19 that at least 10% of the electric energy sold by an electric
20 distribution company or electric generation supplier to
21 retail customers in that certificated territory in the tenth
22 year after the effective date of this subsection is generated
23 from renewable resources.

24 (c) Credits.--

25 (1) The commission shall establish a renewable energy
26 tradable credits program as needed to implement this act.

27 (2) (i) An electric distribution company or electric
28 generation supplier shall comply with the applicable
29 requirements of this section by purchasing sufficient
30 renewable energy credits and submitting documentation of

1 compliance to the program administrator.

2 (ii) For purposes of this subsection, one renewable
3 energy credit shall represent one megawatt hour of
4 qualified renewable electric energy, whether self-
5 generated, purchased along with the electric commodity or
6 separately through a tradable instrument and otherwise
7 meeting the requirements of commission regulations and
8 the program administrator.

9 (3) The commission shall approve an independent entity
10 to serve as the renewable energy credits program
11 administrator. The administrator shall have those powers and
12 duties assigned by commission regulations. Such powers and
13 duties shall include, but not be limited to, the following:

14 (i) to create and administer a renewable energy
15 tradable credits certification, tracking and reporting
16 program;

17 (ii) to perform audits to verify that each electric
18 distribution company and electric generation supplier is
19 in compliance with subsection (a) or (b); and

20 (iii) to submit reports to the commission at such
21 times and in such manner as the commission shall direct.

22 (d) Penalties.--

23 (1) At the end of each program year, the program
24 administrator shall make a determination whether each
25 electric distribution company and electric generation
26 supplier is in compliance with subsection (a) or (b).

27 (2) The commission shall conduct a review of each
28 determination made under paragraph (1). If, after notice and
29 hearing, the commission determines that an electric
30 distribution company or electric generation supplier has

1 failed to comply with subsection (a) or (b), the commission
2 shall impose a civil penalty on that company or supplier,
3 which penalty shall be the lesser of the following:

4 (i) fifty dollars times the number of additional
5 renewable energy credits needed in order to comply with
6 subsection (a) or (b); or

7 (ii) two hundred percent of the average market value
8 of renewable energy credits sold for the year times the
9 number of additional energy credits required to comply
10 with subsection (a) or (b) for that year.

11 (e) Transfer to Clean Air Fund.--

12 (1) Notwithstanding the provisions of 66 Pa.C.S. §§ 511
13 (relating to disposition, appropriation and disbursement of
14 assessments and fees) and 3315 (relating to disposition of
15 fines and penalties), penalties imposed pursuant to this act
16 shall be paid into the Clean Air Fund established by section
17 9.2 of the act of January 8, 1960 (1959 P.L.2119, No.787),
18 known as the Air Pollution Control Act.

19 (2) A separate account is established in the Clean Air
20 Fund to receive the penalties imposed pursuant to this act.

21 (3) The money in the account shall be utilized solely
22 for projects that will increase the amount of electric energy
23 generated from renewable resources for purposes of compliance
24 with subsections (a) and (b).

25 Section 4. Effective date.

26 This act shall take effect in 90 days.