

## AMENDMENTS TO HOUSE BILL NO. 1203

Sponsor: REPRESENTATIVE YEWCIC

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1 Amend Sec. 2, page 3, line 6, by inserting after "3(b)"

2 , (e)

3 Amend Sec. 2 (Sec. 3), page 5, by inserting between lines 9

4 and 10

5 (e) Alternative energy credits.--

6 (1) The commission shall establish an alternative energy  
7 credits program as needed to implement this act. The  
8 provision of services pursuant to this section shall be  
9 exempt from the competitive procurement procedures of 62  
10 Pa.C.S. (relating to procurement).

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

16 (i) To create and administer an alternative energy  
17 credits certification, tracking and reporting program.  
18 This program should include, at a minimum, a process for  
19 qualifying alternative energy systems and determining the  
20 manner credits can be created, accounted for, transferred  
21 and retired.

22 (ii) To submit reports to the commission at such  
23 times and in such manner as the commission shall direct.

24 (3) All qualifying alternative energy systems must  
25 include a qualifying meter to record the cumulative electric  
26 production to verify the advanced energy credit value.  
27 Qualifying meters will be approved by the commission as  
28 defined in paragraph (4).

29 (4) (i) An electric distribution company or electric  
30 generation supplier shall comply with the applicable  
31 requirements of this section by purchasing sufficient  
32 alternative energy credits and submitting documentation  
33 of compliance to the program administrator.

34 (ii) For purposes of this subsection, one  
35 alternative energy credit shall represent one megawatt  
36 hour of qualified alternative electric generation,  
37 whether self-generated, purchased along with the electric  
38 commodity or separately through a tradable instrument and  
39 otherwise meeting the requirements of commission  
40 regulations and the program administrator.

1           (5) The alternative energy credits program shall include  
2 provisions requiring a reporting period as defined in section  
3 2 for all covered entities under this act. The alternative  
4 energy credits program shall also include a true-up period as  
5 defined in section 2. The true-up period shall provide  
6 entities covered under this act the ability to obtain the  
7 required number of alternative energy credits or to make up  
8 any shortfall of the alternative energy credits they may be  
9 required to obtain to comply with this act. A force majeure  
10 provision shall also be provided for under the true-up period  
11 provisions.

12           (6) An electric distribution company and electric  
13 generation supplier may bank or place in reserve alternative  
14 energy credits produced in one reporting year for compliance  
15 in either or both of the two subsequent reporting years,  
16 subject to the limitations set forth in this subsection and  
17 provided that the electric distribution company and electric  
18 generation supplier are in compliance for all previous  
19 reporting years. In addition, the electric distribution  
20 company and electric generation supplier shall demonstrate to  
21 the satisfaction of the commission that such credits:

22           (i) were in excess of the alternative energy credits  
23 needed for compliance in the year in which they were  
24 generated and that such excess credits have not  
25 previously been used for compliance under this act;

26           (ii) were produced by the generation of electrical  
27 energy by alternative energy sources and sold to retail  
28 customers during the year in which they were generated;  
29 and

30           (iii) have not otherwise been nor will be sold,  
31 retired, claimed or represented as part of satisfying  
32 compliance with alternative or renewable energy portfolio  
33 standards in other states.

34           (7) An electric distribution company or an electric  
35 generation supplier with sales that are exempted under  
36 subsection (d) may bank credits for retail sales of  
37 electricity generated from Tier I and Tier II sources made  
38 prior to the end of the cost-recovery period and after the  
39 effective date of this act. Bankable credits shall be limited  
40 to credits associated with electricity sold from Tier I and  
41 Tier II sources during a reporting year which exceeds the  
42 volume of sales from such sources by an electric distribution  
43 company or electric generation supplier during the 12-month  
44 period immediately preceding the effective date of this act.  
45 All credits banked under this subsection shall be available  
46 for compliance with subsections (b) and (c) for no more than  
47 two reporting years following the conclusion of the cost-  
48 recovery period.

49           (8) The commission or its designee shall develop a  
50 registry of pertinent information regarding all available  
51 alternative energy credits, credit transactions among  
52 electric distribution companies and electric generation  
53 suppliers, the number of alternative energy credits sold or  
54 transferred and the price paid for the sale or transfer of  
55 the credits. The registry shall provide current information  
56 to electric distribution companies, electric generation  
57 suppliers and the general public on the status of alternative  
58 energy credits created, sold or transferred within this  
59 Commonwealth.

1 (9) The commission may impose an administrative fee on  
2 an alternative energy credit transaction. The amount of this  
3 fee may not exceed the actual direct cost of processing the  
4 transaction by the alternative energy credits administrator.  
5 The commission is authorized to utilize up to 5% of the  
6 alternative compliance fees generated under subsection (f)  
7 for administrative expenses directly associated with this  
8 act.

9 (10) The commission shall establish regulations  
10 governing the verification and tracking of energy efficiency  
11 and demand-side management measures pursuant to this act,  
12 which shall include benefits to all utility customer classes.  
13 When developing regulations, the commission must give  
14 reasonable consideration to existing and proposed regulations  
15 and rules in existence in the regional transmission  
16 organizations that manage the transmission system in any part  
17 of this Commonwealth. All verified reductions shall accrue  
18 credits starting with the passage of this act.

19 (11) The commission shall within 120 days of the  
20 effective date of this act develop a depreciation schedule  
21 for alternative energy credits created through demand-side  
22 management, energy efficiency and load management  
23 technologies and shall develop standards for tracking and  
24 verifying savings from energy efficiency, load management and  
25 demand-side management measures. The commission shall allow  
26 for a 60-day public comment period and shall issue final  
27 standards within 30 days of the close of the public comment  
28 period.

29 (12) (i) Unless a contractual provision explicitly  
30 assigns alternative energy credits in a different manner,  
31 the owner of the alternative energy system or a customer-  
32 generator owns any and all alternative energy credits  
33 associated with or created by the production of electric  
34 energy by such facility or customer, and the owner or  
35 customer shall be entitled to sell, transfer or take any  
36 other action to which a legal owner of property is  
37 entitled to take with respect to the credits.

38 (ii) This paragraph shall apply to all alternative  
39 energy credits which were created pursuant to this act  
40 prior to the effective date of this paragraph and which  
41 will be created after the effective date of this  
42 paragraph, regardless of when any underlying contract for  
43 the purchase of electric energy or other products from  
44 the generator that qualifies as an alternative energy  
45 system was executed.

46 Amend Bill, page 8, by inserting between lines 13 and 14

47 Section 3. The addition of section 3(e)(12) of the act shall  
48 apply to all alternative energy credits created under the act  
49 before, on or after the effective date of this section,  
50 regardless of when any underlying contract for the purchase of  
51 electric energy or other products from the generator that  
52 qualifies as an alternative energy system was executed.

53 Amend Sec. 3, page 8, line 14, by striking out "3" and

54 inserting

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