

AMENDMENTS TO HOUSE BILL NO. 1530

Sponsor: REPRESENTATIVE DERMODY

Printer's No. 1876

1 Amend Title, page 1, line 3, by striking out "declaration of
2 policy and for"

3 Amend Bill, page 1, lines 7 through 17; page 2, lines 1
4 through 17, by striking out all of said lines on said pages and
5 inserting

6 Section 1. Section 2807(e) of Title 66 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 Amend Sec. 2 (Sec. 2807), page 3, line 6, by inserting after
9 "(3)"

10 (i)

11 Amend Sec. 2 (Sec. 2807), page 3, lines 10 and 11, by
12 striking out the bracket before "at" line 10 and after "prices"
13 in line 11

14 Amend Sec. 2 (Sec. 2807), page 3, lines 12 through 25, by
15 striking out all of said lines and inserting

16 reasonable costs. The electric distribution company or
17 commission-approved supplier shall adjust rates at
18 appropriate intervals as determined by the commission. The
19 electric energy acquired under this paragraph shall be
20 procured through competitive procurement processes that may
21 include one or more of the following:

22 (A) Auctions.

23 (B) Requests for proposal.

24 (C) Bilateral contracts negotiated between the
25 electric distribution company or commission-approved
26 alternative supplier and a wholesale electric
27 supplier, except that the bilateral contracts shall
28 be entered into at the sole discretion of the
29 electric distribution company or commission-approved
30 alternative supplier and the commission shall have no

1 authority to require the contracts and shall be at
2 prices no greater than reasonable forward market
3 prices.

4 (ii) The commission shall not modify contracts or
5 disallow costs associated with contracts entered into
6 pursuant to an approved competitive procurement process.
7 Prices obtained through the competitive procurement
8 processes shall be deemed to be prevailing market prices.
9 The resources procured pursuant to this paragraph may
10 reflect a mix of long-term, short-term and spot market
11 purchases.

12 Amend Sec. 2 (Sec. 2807), page 4, lines 1 through 22, by
13 striking out all of said lines and inserting

14 (5) (i) Notwithstanding paragraph (3), the electric
15 distribution company or commission-approved alternative
16 supplier may, in its sole discretion, offer large
17 customers with a peak demand of 15 megawatts or greater
18 at one meter at a location in its service territory any
19 negotiated rate for service at all of the customers'
20 locations within the service territory for any duration
21 agreed upon by the electric distribution company or
22 commission-approved alternative supplier and the large
23 customer. The commission shall permit, but shall not
24 require, an electric distribution company or commission-
25 approved alternative supplier to provide service to large
26 customers under this paragraph. Contract rates entered
27 into under this paragraph shall be subject to review by
28 the commission in order to ensure that all costs related
29 to the rates are borne by the parties to the contract and
30 that no costs related to the rates are borne by other
31 customers or customer classes. If no costs related to the
32 rates are borne by other customers or customer classes,
33 the commission shall approve the contract within 90 days
34 of its filing or it shall be deemed approved by operation
35 of law upon expiration of the 90 days. Information
36 submitted under this paragraph shall be subject to the
37 commission's procedures for the filing of confidential
38 and proprietary information.

39 (ii) For purposes of providing service under this
40 paragraph to customers with a peak demand of 20 megawatts
41 or greater at one meter at a location within that
42 distribution company's service territory, an electric
43 distribution company that has completed its restructuring
44 transition period as of the effective date of this
45 paragraph may, in its sole discretion, acquire an
46 interest in a generation facility or construct a
47 generation facility specifically to meet the energy
48 requirements of the customers including the electric
49 requirements of the customers' other billing locations
50 within its service territory. The electric distribution
51 company must commence construction of the generation
52 facility or contract to acquire the generation interest
53 within three years after the effective date of this
54 paragraph, except that the electric distribution company
55 may add to the generation facilities it commenced
56 construction or contracted to acquire after this three-

1 year period to serve additional load of customers for
2 whom it commenced construction or contracted to acquire
3 generation within three years. Nothing in this paragraph
4 requires or authorized the commission to require an
5 electric distribution company to commence construction or
6 acquire an interest in a generation facility. The
7 electric distribution company's interest in the
8 generation facility it built or contracted to acquire
9 shall be no larger than necessary to meet peak demand of
10 customers served under this subparagraph. During times
11 when the customer's demand is less than the electric
12 distribution company's generation interest, the electric
13 distribution company may sell excess power on the
14 wholesale market. At no time shall the costs associated
15 with the generating facility interests be included in
16 rate base or otherwise reflected in rates. The generation
17 facility interests shall not be commission-regulated
18 assets.