AN ACT

Amending the act of November 30, 2004 (P.L.1672, No.213),
entitled "An act providing for the sale of electric energy
generated from renewable and environmentally beneficial
sources, for the acquisition of electric energy generated
from renewable and environmentally beneficial sources by
electric distribution and supply companies and for the powers
and duties of the Pennsylvania Public Utility Commission,"
providing for location of Tier II sources.

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

Section 1. The act of November 30, 2004 (P.L.1672, No.213),
known as the Alternative Energy Portfolio Standards Act, is
amended by adding a section to read:

Section 4.1. Location of Tier II sources.

(a) General rule.--Notwithstanding the provisions of section
4, in order to qualify as an alternative energy source eligible
under section 3(c) and to qualify for Tier II alternative energy
portfolio credits, a Tier II source must:

(1) directly deliver the electricity generated by the
Tier II source to a retail customer of an electric
distribution company or to the distribution system operated
by an electric distribution company operating within this
Commonwealth and currently obligated to meet the compliance
requirements contained in this act;

(2) be directly connected to the electric system of an
electric cooperative or municipal electric system operating
within this Commonwealth; or

(3) connect directly to the electric transmission system
at a location that is within the service territory of an
electric distribution company operating within this
Commonwealth.

(b) Construction.--Nothing in section 4 or this section
shall be construed to affect:

(1) A certification originating within the geographical
boundaries of this Commonwealth granted prior to the
effective date of this section of a Tier II energy generator
as a qualifying alternative energy source eligible to meet
the Tier II share of the alternative energy portfolio
compliance requirements in this act.

(2) Certification of a Tier II source with a binding
written contract for the sale and purchase of alternative
energy credits derived from Tier II energy sources entered
into prior to the effective date of this section for the
remaining term of the contract as of the effective date of
this section.

(c) Applicability--This section shall apply to contracts
entered into or renewed on or after the effective date of this
section.

Section 2. This act shall take effect immediately.