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,
" further providing for definitions and for interconnection
standards for customer-generator facilities; and providing
for community solar generating systems.

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

Section 1. The General Assembly finds and declare as
follows:

(1) Growth in solar generation will provide jobs for
Pennsylvania.

(2) Local solar energy generation can contribute to a
more resilient grid and defer the need for costly new
transmission and distribution system build out.

(3) Community solar generation can foster economic
growth as well as opportunities for competition and
inginnovative business models.

(4) Programs for community solar generation empower
consumers with additional energy choices and can provide
access to local, affordable and clean energy options to all
energy customers.

(5) Community solar programs provide consumers,
including homeowners, renters and businesses, access to the
benefits of local solar energy generation, unconstrained by
the physical attributes of their home or business, like roof
space, shading or ownership status.

(6) The intent of this act is to:

(i) Allow electric customers of this Commonwealth to
purchase or lease shares of a community solar generation
system and use the resulting generation in the same
manner as if they had installed the generating system on
their property.

(ii) Encourage the development of programs that will
guarantee participation and tangible benefits by low-
income and moderate-income customers and by entities that
serve them.

(iii) Reasonably allow for the creation and
financing of community solar generating facilities in a
way that ensures robust customer participation.

Section 2. The definitions of "customer-generator" and "net
metering" in section 2 of the act of November 30, 2004
(P.L.1672, No.213), known as the Alternative Energy Portfolio
Standards Act, are amended and the section is amended by adding
definitions to read:

Section 2. Definitions.
The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

* * *

"Bill credit." The monetary value of electricity, in kilowatt-hours, that is generated by a community solar generating system allocated to a subscriber to offset the subscriber's electricity bill and which value is calculated using net metering.

* * *

"Community solar facility." A facility that:

1. is connected to the electric distribution grid serving this Commonwealth;
2. is located in the service territory of an electric distribution company submitting compliance filings under this act;
3. delivers electricity to the distribution system operated by an electric distribution company operating within this Commonwealth and is currently obligated to meet the compliance requirements contained under this act or directly connected to the electric system of an electric cooperative or municipal electric system, operating within this Commonwealth;
4. has a nameplate capacity not to exceed that authorized for a non-residential customer-generator under this act;
5. has at least two subscribers;
6. limits single subscriptions to 50% of the facility capacity in kilowatts or output in kilowatt-hours, with the exception of master-metered, multifamily buildings and low-
income projects; and

(7) credits its generated electricity to the bills of subscribers.

"Community solar generating system." A system of a community solar facility that generates electricity by means of a solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription.

"Customer-generator." A subscriber to a community solar generating system or nonutility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service or not larger than 3,000 kilowatts at other customer service locations, except for customers whose systems are above three megawatts and up to five megawatts who make their systems available to operate in parallel with the electric utility during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the primary or secondary purpose of maintaining critical infrastructure, such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities, provided that technical rules for operating generators interconnected with facilities of an electric distribution company, electric cooperative or municipal electric system have been promulgated by the Institute of Electrical and Electronic Engineers and the Pennsylvania Public Utility Commission.

* * *

"Low-income customer." An in-State retail end user of an electric distribution company whose income does not exceed 200%
of the Federal poverty level, adjusted for family size and
revised every year. A low-income customer includes affordable
housing facilities and low-income service organizations whose
resident's or client's income does not exceed 200% of the
Federal poverty level.

"Moderate-income customer." An in-State retail end user of
an electric distribution company whose income does not exceed
100% of the area median income, adjusted for family size and
revised every year.

* * *

"Net metering." The means of measuring the difference
between the electricity supplied by an electric utility and the
electricity generated by a customer-generator when any portion
of the electricity generated by the alternative energy
generating system or community solar generating system is used
to offset part or all of the customer-generator's requirements
for electricity. Virtual meter aggregation on properties owned
or leased and operated by a customer-generator [and located
within two miles of the boundaries of the customer-generator's
property] and within a single electric distribution company's
service territory shall be eligible for net metering.

* * *

"Subscriber." A retail customer of an electric distribution
company that owns one or more subscriptions of a community solar
generating system interconnected with the customer's electric
distribution company.

"Subscriber organization." An entity that owns or operates
one or more community solar generating systems.

"Subscriptions." A contract between a subscriber and the
owner of a community solar generating system.
"Unsubscribed energy." The output of a community solar generating system, measured in kilowatt-hours, that is not allocated to a subscriber.

Section 3. Section 5 of the act is amended to read:

Section 5. Interconnection standards for customer-generator facilities.

Excess generation from net-metered customer-generators shall receive full retail value for all energy produced on an annual basis. The commission shall develop technical and net metering interconnection rules for customer-generators intending to operate community solar generating systems or renewable onsite generators in parallel with the electric utility grid, consistent with rules defined in other states within the service region of the regional transmission organization that manages the transmission system in any part of this Commonwealth. The commission shall convene a stakeholder process to develop Statewide technical and net metering rules for customer-generators. The commission shall develop these rules within nine months of the effective date of this act.

Section 4. The act is amended by adding a section to read:

Section 8.1. Community solar generating systems.

(a) Authorization.--

(1) A community solar generating system may be built, owned or operated by a third-party entity under contract with a subscriber organization.

(2) The price paid for a subscription in a community solar generating system shall not be subject to regulation by the commission.

(b) Transferability and portability of subscriptions.--The
electric distribution company shall allow for the
transferability and portability of subscriptions, including
allowing a subscriber to retain a subscription to a community
solar facility, if the subscriber moves within the same electric
distribution company territory.

(c) Updating subscribers.--A subscriber organization may
update its subscribers not more frequently than monthly. Each
month the subscriber organization shall provide the following
information about each subscriber to the electric distribution
company in a standardized electronic format approved by the
commission, as required to facilitate crediting subscribers:
(1) the name, address, account number and meter number
or numbers; and
(2) the subscription percentage or amount.

(d) Standardized subscription form.--The commission shall
develop a standardized disclosure form to be included with
subscriptions.

(e) Limits on electric distribution companies.--
(1) An electric distribution company may not remove a
customer from its otherwise applicable customer class in
order to participate in a community solar facility.
(2) If the capacity of a community solar generating
system is not fully subscribed, the electric distribution
company shall purchase the unsubscribed energy at the
utility's avoided cost of energy.

(f) Construction.--The subscriber organization, any
subscriber or any third-party entity owning or operating a
community solar generating system shall not be considered an
electric distribution company, as defined in 66 Pa.C.S. § 2803
(relating to definitions), or an electric generation provider.
solely as a result of any involvement with the community solar generating system.

(g) Duties of electric distribution companies.--

(1) An electric distribution company shall, on a monthly basis and in a standardized electronic format, provide to a subscriber organization a report indicating the total value of bill credits generated by the community solar facility in the prior month as well as the amount of the bill credit applied to each subscriber.

(2) The electric distribution company shall provide a bill credit to a subscriber's subsequent monthly electric bill for the proportional output of a community solar facility attributable to the subscriber in the same manner as if the electric distribution company owned or leased the generating system on the property.

(h) Compensation to electric distribution company.--

(1) The community solar generating system shall compensate the electric distribution company for the company's reasonable costs of interconnection to accommodate the facility.

(2) An electric distribution company shall be entitled to recover reasonable community solar generating system administrative costs, subject to approval by the commission.

(i) Process for low-income customers and moderate-income customers.--The commission shall, by regulation, establish a process that ensures access to community solar generating systems by low-income customers and moderate-income customers. The commission may establish preference for low-income customers and projects that benefit environmental justice communities, including tariffs, incentives and siting.
(j) Participation by low-income customers.--

(1) The Department of Community and Economic Development, the Department of Environmental Protection and the Department of Health and Human Services, in consultation with the commission, shall:

(i) Coordinate to develop the best approach to serving low-income customers and moderate-income customers. Any mechanisms designed for low-income customers and low-income service organizations shall achieve tangible economic benefits for low-income customers and integrate with existing complementary programs, including energy efficiency, energy assistance and workforce development programs.

(ii) Complete and submit their plan to the commission within 12 months of the effective date of this section.

(2) Utilities may use customer assistance program dollars for low-income customer subscriptions to community solar projects if the cost per kilowatt hour of electricity from the community solar generating facility is at or below the default price.

(3) Agencies and utilities may identify additional funding sources to ensure that low-income customer and moderate-income customer participation targets are met and benefits are maximized.

(k) Participation by all rate classes.--

(1) The commission shall develop regulations to ensure participation by all rate classes. The regulations shall include a minimum programmatic inclusionary target for participation by low-income customers and moderate-income
customers and consumer protections.

(2) The regulations shall ensure program capacity is available for the following:

(i) Residential customers.

(ii) Small commercial customers.

(iii) Low-income customers and moderate-income customers.

(iv) Low-income service organizations.

Section 5. This act shall take effect in 60 days.