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," further providing for alternative energy portfolio standards and for portfolio requirements in other states.

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

Section 1. Sections 3(b) and (f) and 4 of the act of November 30, 2004 (P.L.1672, No.213), known as the Alternative Energy Portfolio Standards Act, are amended to read:

Section 3. Alternative energy portfolio standards.

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(b) Tier I and solar photovoltaic shares.--

(1) Two years after the effective date of this act, at least 1.5% of the electric energy sold by an electric distribution company or electric generation supplier to retail electric customers in this Commonwealth shall be generated from Tier I alternative energy sources. [Except as
provided in this section, the minimum percentage of electric
energy required to be sold to retail electric customers from
alternative energy sources shall increase to 2% three years
after the effective date of this act. The minimum percentage
of electric energy required to be sold to retail electric
customers from alternative energy sources shall increase by
at least 0.5% each year so that at least 8% of the electric
energy sold by an electric distribution company or electric
generation supplier to retail electric customers in that
certificated territory in the 15th year after the effective
date of this subsection is sold from Tier I alternative
energy resources.) The minimum percentage of electric energy
required to be sold to retail electric customers from
alternative energy sources shall be:

(i) 5.5% for June 1, 2016, through May 31, 2017.
(ii) 6% for June 1, 2017, through May 31, 2018.
(iii) 7.5% for June 1, 2018, through May 31, 2019.
(iv) 9% for June 1, 2019, through May 31, 2020.
(v) 10.5% for June 1, 2020, through May 31, 2021.
(vi) 12% for June 1, 2021, through May 31, 2022.
(vii) 13.5% for June 1, 2022, through May 31, 2023.
(viii) 15% for June 1, 2023, and thereafter.

(2) The total percentage of the electric energy sold by
an electric distribution company or electric generation
supplier to retail electric customers in this Commonwealth
that must be sold from solar photovoltaic technologies is:

(i) 0.0013% for June 1, 2006, through May 31, 2007.
(ii) 0.0030% for June 1, 2007, through May 31, 2008.
(iii) 0.0063% for June 1, 2008, through May 31,
2009.
(iv) 0.0120% for June 1, 2009, through May 31, 2010.
(v) 0.0203% for June 1, 2010, through May 31, 2011.
(vi) 0.0325% for June 1, 2011, through May 31, 2012.
(vii) 0.0510% for June 1, 2012, through May 31, 2013.
(viii) 0.0840% for June 1, 2013, through May 31, 2014.
(ix) 0.1440% for June 1, 2014, through May 31, 2015.
(x) 0.2500% for June 1, 2015, through May 31, 2016.
(xi) [0.2933%][0.4857%] for June 1, 2016, through May 31, 2017.
(xii) [0.3400%][0.6306%] for June 1, 2017, through May 31, 2018.
(xiii) [0.3900%][0.7755%] for June 1, 2018, through May 31, 2019.
(xiv) [0.4433%][0.9204%] for June 1, 2019, through May 31, 2020.
(xv) [0.5000%][1.0653%] for June 1, 2020, and thereafter.[through May 31, 2021.
(xvi) 1.2102% for June 1, 2021, through May 31, 2022.
(xvii) 1.3551% for June 1, 2022, through May 31, 2023.
(xviii) 1.5000% for June 1, 2023, and thereafter.

(3) Upon commencement of the beginning of the 6th reporting year, the commission shall undertake a review of the compliance by electric distribution companies and electric generation suppliers with the requirements of this act. The review shall also include the status of alternative energy technologies within this Commonwealth and the capacity
to add additional alternative energy resources. The
commission shall use the results of this review to recommend
to the General Assembly additional compliance goals beyond
year 15. The commission shall work with the department in
evaluating the future alternative energy resource potential.

*(f)* Alternative compliance payment.--

(1) At the end of each program year, the program
administrator shall provide a report to the commission and to
each covered electric distribution company showing their
status level of alternative energy acquisition.

(2) The commission shall conduct a review of each
determination made under subsections (b) and (c). If, after
notice and hearing, the commission determines that an
electric distribution company or electric generation supplier
has failed to comply with subsections (b) and (c), the
commission shall impose an alternative compliance payment on
that company or supplier.

(3) The alternative compliance payment, with the
exception of the solar photovoltaic share compliance
requirement set forth in subsection (b)(2), shall be $45
times the number of additional alternative energy credits
needed in order to comply with subsection (b) or (c).

(4) The alternative compliance payment for the solar
photovoltaic share shall be [200% of the average market value
of solar renewable energy credits sold during the reporting
period within the service region of the regional transmission
organization, including, where applicable, the levelized up-
front rebates received by sellers of solar renewable energy
credits in other jurisdictions in the PJM Interconnection,
L.L.C. transmission organization (PJM) or its successor] as follows:

(i) For June 1, 2016, through May 31, 2017, $200 per megawatt hour.

(ii) For June 1, 2017, through May 31, 2018, $175 per megawatt hour.

(iii) For June 1, 2018, through May 31, 2019, $150 per megawatt hour.

(iv) For June 1, 2019, through May 31, 2020, $125 per megawatt hour.

(v) For June 1, 2020, through May 31, 2021, $100 per megawatt hour.

(vi) For June 1, 2021, through May 31, 2022, $75 per megawatt hour.

(vii) For June 1, 2022, and thereafter, $50 per megawatt hour.

(5) The commission shall establish a process to provide for, at least annually, a review of the alternative energy market within this Commonwealth and the service territories of the regional transmission organizations that manage the transmission system in any part of this Commonwealth. The commission will use the results of this study to identify any needed changes to the cost associated with the alternative compliance payment program. If the commission finds that the costs associated with the alternative compliance payment program must be changed, the commission shall present these findings to the General Assembly for legislative enactment.

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Section 4. Portfolio requirements in other states.

(a) Requirements.--If an electric distribution supplier or
electric generation company provider sells electricity in any other state and is subject to renewable energy portfolio requirements in that state, they shall list any such requirement and shall indicate how it satisfied those renewable energy portfolio requirements. To prevent double-counting, the electric distribution supplier or electric generation company shall not satisfy Pennsylvania's alternative energy portfolio requirements using alternative energy used to satisfy another state's portfolio requirements or alternative energy credits already purchased by individuals, businesses or government bodies that do not have a compliance obligation under this act unless the individual, business or government body sells those credits to the electric distribution company or electric generation supplier. Energy derived from alternative energy sources inside the geographical boundaries of this Commonwealth shall be eligible to meet the compliance requirements under this act. Energy derived from alternative energy sources located outside the geographical boundaries of this Commonwealth but within the service territory of a regional transmission organization that manages the transmission system in any part of this Commonwealth shall only be eligible to meet the compliance requirements of electric distribution companies or electric generation suppliers located within the service territory of the same regional transmission organization. For purposes of compliance with this act, alternative energy sources located in the PJM Interconnection, L.L.C. regional transmission organization (PJM) or its successor service territory shall be eligible to fulfill compliance obligations of all Pennsylvania electric distribution companies and electric generation suppliers. Energy derived from alternative energy sources located outside the service territory
of a regional transmission organization that manages the
transmission system in any part of this Commonwealth shall not
be eligible to meet the compliance requirements of this act.
Electric distribution companies and electric generation
suppliers shall document that this energy was not used to
satisfy another state's renewable energy portfolio standards.

(b) Solar photovoltaic technology.--To meet the requirements
of this section, all solar photovoltaic technology registered
after the effective date of this subsection shall directly
deliver the electricity it generates 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.

Section 2. This act shall apply to contracts for the
purchase of solar alternative energy entered into after May 31,
2016, by entities with a solar alternative energy portfolio
standard compliance obligation.

Section 3. This act shall take effect in 60 days.