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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 2250** Session of  
2003

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INTRODUCED BY ROSS, RUBLEY, ARGALL, BASTIAN, CAPPELLI,  
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VITALI, WALKO, WASHINGTON, WATSON, YOUNGBLOOD AND YUDICHAK,  
DECEMBER 8, 2003

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
DECEMBER 8, 2003

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AN ACT

1 Providing for the sale of electric energy generated from  
2 renewable sources, for the acquisition of this power by  
3 electric distribution and supply companies and for the powers  
4 and duties of the Pennsylvania Public Utility Commission; and  
5 imposing penalties.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Renewable  
10 Portfolio Standards Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall  
13 have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Commission." The Pennsylvania Public Utility Commission.

16 "Electric distribution company." An incorporated entity that

1 receives electric power from an electric generator and  
2 distributes that power to consumers.

3 "Electric generation supplier." An incorporated entity that  
4 generates and supplies electric power.

5 "Renewable energy credit." A tradable instrument that is  
6 used to track and verify compliance with the provisions of this  
7 act.

8 "Renewable portfolio standards." Standards establishing that  
9 a certain amount of renewable energy is included as part of the  
10 sources of electric generation by electric utilities within this  
11 Commonwealth.

12 "Renewable resources." Any of the following:

- 13 (1) Solar photovoltaic energy.
- 14 (2) Solar thermal energy.
- 15 (3) Wind power.
- 16 (4) Low-impact hydropower.
- 17 (5) Geothermal energy.
- 18 (6) Biologically derived methane gas.
- 19 (7) Energy from waste and sustainable biomass energy.

20 The term does not include municipal solid, industrial, residual  
21 or any hazardous waste burned for the generation of electric  
22 energy.

23 Section 3. Renewable portfolio standard.

24 (a) General rule.--In the tenth year after the effective  
25 date of this section and each year thereafter, at least 10% of  
26 the electric energy sold by an electric distribution company or  
27 electric generation supplier to retail customers in this  
28 Commonwealth shall be generated from renewable resources. Such  
29 electric energy generated from renewable resources shall be  
30 generated at facilities within the geographic limits of an

1 independent system operator that operates a transmission system  
2 and interstate power pool delivering electric energy to retail  
3 customers in this Commonwealth.

4 (b) Phase-in.--

5 (1) One year after the effective date of this section,  
6 at least 2.5% of the electric energy sold by an electric  
7 distribution company or electric generation supplier to  
8 retail customers in this Commonwealth shall be generated from  
9 renewable resources.

10 (2) Except as provided in paragraph (3), the minimum  
11 percentage of electric energy required to be generated from  
12 renewable resources shall increase to 3% two years after the  
13 effective date of this section and shall increase by an  
14 additional 0.5% for each succeeding year thereafter.

15 (3) After the expiration of the period for collection of  
16 the competitive transition charge from retail customers in an  
17 individual certificated territory, the minimum percentage of  
18 electric energy required to be generated from renewable  
19 resources shall increase by an equal amount in each year so  
20 that at least 10% of the electric energy sold by an electric  
21 distribution company or electric generation supplier to  
22 retail customers in that certificated territory in the tenth  
23 year after the effective date of this subsection is generated  
24 from renewable resources.

25 (c) Credits.--

26 (1) The commission shall establish a renewable energy  
27 tradable credits program as needed to implement this act.

28 (2) (i) An electric distribution company or electric  
29 generation supplier shall comply with the applicable  
30 requirements of this section by purchasing sufficient

1 renewable energy credits and submitting documentation of  
2 compliance to the program administrator.

3 (ii) For purposes of this subsection, one renewable  
4 energy credit shall represent one megawatt hour of  
5 qualified renewable electric energy, whether self-  
6 generated, purchased along with the electric commodity or  
7 separately through a tradable instrument and otherwise  
8 meeting the requirements of commission regulations and  
9 the program administrator.

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

15 (i) to create and administer a renewable energy  
16 tradable credits certification, tracking and reporting  
17 program;

18 (ii) to perform audits to verify that each electric  
19 distribution company and electric generation supplier is  
20 in compliance with subsection (a) or (b); and

21 (iii) to submit reports to the commission at such  
22 times and in such manner as the commission shall direct.

23 (d) Penalties.--

24 (1) At the end of each program year, the program  
25 administrator shall make a determination whether each  
26 electric distribution company and electric generation  
27 supplier is in compliance with subsection (a) or (b).

28 (2) The commission shall conduct a review of each  
29 determination made under paragraph (1). If, after notice and  
30 hearing, the commission determines that an electric

1 distribution company or electric generation supplier has  
2 failed to comply with subsection (a) or (b), the commission  
3 shall impose a civil penalty on that company or supplier,  
4 which penalty shall be the lesser of the following:

5 (i) fifty dollars times the number of additional  
6 renewable energy credits needed in order to comply with  
7 subsection (a) or (b); or

8 (ii) two hundred percent of the average market value  
9 of renewable energy credits sold for the year times the  
10 number of additional energy credits required to comply  
11 with subsection (a) or (b) for that year.

12 (e) Transfer to Clean Air Fund.--

13 (1) Notwithstanding the provisions of 66 Pa.C.S. §§ 511  
14 (relating to disposition, appropriation and disbursement of  
15 assessments and fees) and 3315 (relating to disposition of  
16 fines and penalties), penalties imposed pursuant to this act  
17 shall be paid into the Clean Air Fund established by section  
18 9.2 of the act of January 8, 1960 (1959 P.L.2119, No.787),  
19 known as the Air Pollution Control Act.

20 (2) A separate account is established in the Clean Air  
21 Fund to receive the penalties imposed pursuant to this act.

22 (3) The money in the account shall be utilized solely  
23 for projects that will increase the amount of electric energy  
24 generated from renewable resources for purposes of compliance  
25 with subsections (a) and (b).

26 Section 4. Effective date.

27 This act shall take effect in 90 days.