
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 715 Session of
2007

INTRODUCED BY MUSTO, FUMO, BOSCOLA, WASHINGTON, C. WILLIAMS,
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APRIL 9, 2007

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, APRIL 9, 2007

AN ACT

1 Amending the act of November 30, 2004 (P.L.1672, No.213),
2 entitled, "An act providing for the sale of electric energy
3 generated from renewable and environmentally beneficial
4 sources, for the acquisition of electric energy generated
5 from renewable and environmentally beneficial sources by
6 electric distribution and supply companies and for the powers
7 and duties of the Pennsylvania Public Utility Commission,"
8 further providing for the definition of "force majeure," for
9 alternative energy portfolio standards, for portfolio
10 requirements in other states and for interconnection
11 standards for customer-generator facilities.

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

14 Section 1. The definition of "force majeure" in section 2 of
15 the act of November 30, 2004 (P.L.1672, No.213), known as the
16 Alternative Energy Portfolio Standards Act, is amended to read:

17 Section 2. Definitions.

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

21 * * *

22 "Force majeure." Upon its own initiative or upon a request

1 of an electric distribution company or an electric generator
2 supplier, the Pennsylvania Public Utility Commission, within 60
3 days, shall determine if alternative energy resources are
4 reasonably available in the marketplace in sufficient quantities
5 for the electric distribution companies and electric generation
6 suppliers to meet their obligations for that reporting period
7 under this act. In making this determination the commission
8 shall consider whether electric distribution companies or
9 electric generation suppliers have made a good faith effort to
10 acquire sufficient alternative energy to comply with their
11 obligations. Such good faith efforts shall include, but are not
12 limited to, banking alternative energy credits during their
13 transition periods, seeking alternative energy credits through
14 competitive solicitations and seeking to procure alternative
15 energy credits or alternative energy through long-term
16 contracts. In further making its determination the commission
17 shall assess the availability of alternative energy credits in
18 the Generation Attributes Tracking System (GATS) or its
19 successor, and the availability of alternative energy credits
20 generally in Pennsylvania and other jurisdictions in the PJM
21 Interconnection, L.L.C. regional transmission organization (PJM)
22 or its successor. The commission may also require solicitations
23 for alternative energy credits as part of default service before
24 requests of force majeure can be made. If the commission further
25 determines that alternative energy resources are not reasonably
26 available in sufficient quantities in the marketplace for the
27 electric distribution companies and electric generation
28 suppliers to meet their obligations under this act, then the
29 commission shall modify the underlying obligation of the
30 electric distribution company or electric generation supplier or

1 recommend to the General Assembly that the underlying obligation
2 be eliminated.

3 * * *

4 Section 2. Sections 3(b) and (f), 4 and 5 of the act are
5 amended to read:

6 Section 3. Alternative energy portfolio standards.

7 * * *

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

9 (1) Two years after the effective date of this act, at
10 least 1.5% of the electric energy sold by an electric
11 distribution company or electric generation supplier to
12 retail electric customers in this Commonwealth shall be
13 generated from Tier I alternative energy sources. Except as
14 provided in this section, the minimum percentage of electric
15 energy required to be sold to retail electric customers from
16 alternative energy sources shall increase to 2% three years
17 after the effective date of this act. The minimum percentage
18 of electric energy required to be sold to retail electric
19 customers from alternative energy sources shall increase by
20 at least 0.5% each year so that at least 8% of the electric
21 energy sold by an electric distribution company or electric
22 generation supplier to retail electric customers in that
23 certificated territory in the 15th year after the effective
24 date of this subsection is sold from Tier I alternative
25 energy resources.

26 (2) Of the electric energy required to be sold from Tier
27 I sources, the total percentage that must be sold from solar
28 photovoltaic technologies is [for]:

29 [(i) Years 1 through 4 - 0.0013%.

30 (ii) Years 5 through 9 - 0.0203%.

- 1 (iii) Years 10 through 14 - 0.2500%.
- 2 (iv) Years 15 and thereafter - 0.5000%.]
- 3 (i) 0.0013% for June 1, 2006, through May 31, 2007.
- 4 (ii) 0.0030% for June 1, 2007, through May 31, 2008.
- 5 (iii) 0.0063% for June 1, 2008, through May 31,
- 6 2009.
- 7 (iv) 0.0120% for June 1, 2009, through May 31, 2010.
- 8 (v) 0.0203% for June 1, 2010, through May 31, 2011.
- 9 (vi) 0.0325% for June 1, 2011, through May 31, 2012.
- 10 (vii) 0.0510% for June 1, 2012, through May 31,
- 11 2013.
- 12 (viii) 0.0840% for June 1, 2013, through May 31,
- 13 2014.
- 14 (ix) 0.1440% for June 1, 2014, through May 31, 2015.
- 15 (x) 0.2500% for June 1, 2015, through May 31, 2016.
- 16 (xi) 0.2933% for June 1, 2016, through May 31, 2017.
- 17 (xii) 0.3400% for June 1, 2017, through May 31,
- 18 2018.
- 19 (xiii) 0.3900% for June 1, 2018, through May 31,
- 20 2019.
- 21 (xiv) 0.4433% for June 1, 2019, through May 31,
- 22 2020.
- 23 (xv) 0.5000% for June 1, 2020, through May 31, 2021.

24 The percentages in this paragraph shall apply to all retail
25 electricity sales in this Commonwealth.

26 (3) Upon commencement of the beginning of the 6th
27 reporting year, the commission shall undertake a review of
28 the compliance by electric distribution companies and
29 electric generation suppliers with the requirements of this
30 act. The review shall also include the status of alternative

1 energy technologies within this Commonwealth and the capacity
2 to add additional alternative energy resources. The
3 commission shall use the results of this review to recommend
4 to the General Assembly additional compliance goals beyond
5 year 15. The commission shall work with the department in
6 evaluating the future alternative energy resource potential.

7 * * *

8 (f) Alternative compliance payment.--

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

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

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

25 (4) The alternative compliance payment for the solar
26 photovoltaic share shall be 200% of the average market value
27 of solar renewable energy credits sold during the reporting
28 period within the service region of the regional transmission
29 organization, including, where applicable, the levelized up-
30 front rebates received by sellers of solar renewable energy

1 credits in other jurisdictions in the PJM Interconnection,
2 L.L.C. transmission organization (PJM) or its successor.

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

14 * * *

15 Section 4. Portfolio requirements in other states.

16 If an electric distribution supplier or electric generation
17 company provider sells electricity in any other state and is
18 subject to renewable energy portfolio requirements in that
19 state, they shall list any such requirement and shall indicate
20 how it satisfied those renewable energy portfolio requirements.
21 To prevent double-counting, the electric distribution supplier
22 or electric generation company shall not satisfy Pennsylvania's
23 alternative energy portfolio requirements using alternative
24 energy used to satisfy another state's portfolio requirements[.
25 Energy derived only from alternative energy sources inside the
26 geographical boundaries of this Commonwealth or within the
27 service territory of any regional transmission organization that
28 manages the transmission system in any part of this Commonwealth
29 shall be eligible to meet the compliance requirements under this
30 act.] or alternative energy credits already purchased by

1 individuals, businesses, or government bodies that do not have a
2 compliance obligation under this act unless the individual,
3 business or government body sells those credits to the electric
4 distribution company or electric generation supplier. Energy
5 derived from alternative energy sources inside the geographical
6 boundaries of this Commonwealth shall be eligible to meet the
7 compliance requirements under this act. Energy derived from
8 alternative energy sources located outside the geographical
9 boundaries of this Commonwealth but within the service territory
10 of a regional transmission organization that manages the
11 transmission system in any part of this Commonwealth shall only
12 be eligible to meet the compliance requirements of electric
13 distribution companies or electric generation suppliers located
14 within the service territory of the same regional transmission
15 organization. For purposes of compliance with this act,
16 alternative energy sources located in the PJM Interconnection,
17 L.L.C. regional transmission organization (PJM) or its successor
18 service territory shall be eligible to fulfill compliance
19 obligations of Pike County Light and Power Company and
20 Pennsylvania Power Company. Energy derived from alternative
21 energy sources located outside the service territory of a
22 regional transmission organization that manages the transmission
23 system in any part of this Commonwealth shall not be eligible to
24 meet the compliance requirements of this act. Electric
25 distribution companies and electric generation suppliers shall
26 document that this energy was not used to satisfy another
27 state's renewable energy portfolio standards.

28 Section 5. Interconnection standards for customer-generator
29 facilities.

30 Excess generation from net-metered customer-generators shall

1 be "trued-up" on an annual basis. The commission shall develop
2 technical and net metering interconnection rules for customer-
3 generators intending to operate renewable onsite generators in
4 parallel with the electric utility grid, consistent with rules
5 defined in other states within the service region of the
6 regional transmission organization that manages the transmission
7 system in any part of this Commonwealth. The commission shall
8 convene a stakeholder process to develop Statewide technical and
9 net metering rules for customer-generators. The commission shall
10 develop these rules within nine months of the effective date of
11 this act.

12 Section 3. This act shall take effect immediately.