

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2855 Session of  
2020

INTRODUCED BY QUINN, NEILSON, CIRESI, SOLOMON, COOK, HILL-EVANS,  
BARRAR, TOMLINSON, MILLARD AND THOMAS, SEPTEMBER 9, 2020

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
SEPTEMBER 9, 2020

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 definitions and for alternative energy  
9 portfolio standards, providing for solar photovoltaic  
10 technology requirements, for contract requirements for solar  
11 photovoltaic energy system sources, for renewable energy  
12 storage report, for energy storage deployment targets and for  
13 contracts for solar photovoltaic technologies by Commonwealth  
14 agencies and further providing for portfolio requirements in  
15 other states; and making a related repeal.

16 The General Assembly of the Commonwealth of Pennsylvania

17 hereby enacts as follows:

18 Section 1. The definition of "reporting period" in section 2  
19 of the act of November 30, 2004 (P.L.1672, No.213), known as the  
20 Alternative Energy Portfolio Standards Act, is amended and the  
21 section is amended by adding definitions to read:

22 Section 2. Definitions.

23 The following words and phrases when used in this act shall  
24 have the meanings given to them in this section unless the

context clearly indicates otherwise:

\* \* \*

"Deploy" or "deployment." To install a renewable energy storage system through a variety of mechanisms, including utility procurement, customer installation methods or other processes.

\* \* \*

"Renewable energy storage system." A commercially available technology, including, but not limited to, any electrochemical, thermal and electromechanical technology, that is capable of absorbing and storing electrical energy for a period of time for use at a later time, with all of the following characteristics:

(1) The system is co-located behind the meter with a Tier I alternative energy source or behind the point of interconnection of a Tier I alternative energy source.

(2) The system is owned or operated by any of the following:

(i) A customer-generator.

(ii) An electric generation supplier.

(iii) An electric distribution company.

(iv) A third party that is jointly owned by two or more entities specified under subparagraphs (i), (ii) and (iii).

(3) The system is able to demonstrate that the energy the system discharges at all hours in a given reporting year comes from the storage of electrical energy produced by the co-located Tier I alternative energy source.

["Reporting period."] "Reporting period" or "reporting year."

The 12-month period from June 1 through May 31. A reporting year shall be numbered according to the calendar year in which it

1 begins and ends.

2 \* \* \*

3 Section 2. Section 3(a)(3), (b), (f) and (g)(2) of the act  
4 are amended and the section is amended by adding a subsection to  
5 read:

6 Section 3. Alternative energy portfolio standards.

7 (a) General compliance and cost recovery.--

8 \* \* \*

9 (3) All costs for:

10 (i) the purchase of electricity generated from  
11 alternative energy sources, including the costs of the  
12 regional transmission organization, in excess of the  
13 regional transmission organization real-time locational  
14 marginal pricing, or its successor, at the delivery point  
15 of the alternative energy source for the electrical  
16 production of the alternative energy sources; and

17 (ii) payments for alternative energy credits, in  
18 both cases that are voluntarily acquired by an electric  
19 distribution company during the cost recovery period on  
20 behalf of its customers shall be deferred as a regulatory  
21 asset by the electric distribution company and fully  
22 recovered, with a return on the unamortized balance,  
23 pursuant to an automatic energy adjustment clause under  
24 66 Pa.C.S. § 1307 (relating to sliding scale of rates;  
25 adjustments) as a cost of generation supply under 66  
26 Pa.C.S. § 2807 (relating to duties of electric  
27 distribution companies) in the first year after the  
28 expiration of its cost-recovery period. After the cost-  
29 recovery period, any direct or indirect costs for the  
30 purchase by electric distribution companies of resources

1 to comply with this section, including, but not limited  
2 to, the purchase of electricity generated from  
3 alternative energy sources, payments for alternative  
4 energy credits, cost of credits banked, payments to any  
5 third party administrators for performance under this act  
6 and costs levied by a regional transmission organization  
7 to ensure that alternative energy sources are reliable,  
8 shall be recovered on a full and current basis pursuant  
9 to an automatic energy adjustment clause under 66 Pa.C.S.  
10 § 1307 as a cost of generation supply under 66 Pa.C.S. §  
11 2807.

12 (b) Tier I and solar photovoltaic shares through the 15th  
13 reporting year.--

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

1           (2) [The] Through the 15th reporting year ending May 31,  
2           2021, the total percentage of the electric energy sold by an  
3           electric distribution company or electric generation supplier  
4           to retail electric customers in this Commonwealth that must  
5           be sold from solar photovoltaic technologies is:

6                 (i) 0.0013% for June 1, 2006, through May 31, 2007.

7                 (ii) 0.0030% for June 1, 2007, through May 31, 2008.

8                 (iii) 0.0063% for June 1, 2008, through May 31,  
9           2009.

10                (iv) 0.0120% for June 1, 2009, through May 31, 2010.

11                (v) 0.0203% for June 1, 2010, through May 31, 2011.

12                (vi) 0.0325% for June 1, 2011, through May 31, 2012.

13                (vii) 0.0510% for June 1, 2012, through May 31,  
14           2013.

15                (viii) 0.0840% for June 1, 2013, through May 31,  
16           2014.

17                (ix) 0.1440% for June 1, 2014, through May 31, 2015.

18                (x) 0.2500% for June 1, 2015, through May 31, 2016.

19                (xi) 0.2933% for June 1, 2016, through May 31, 2017.

20                (xii) 0.3400% for June 1, 2017, through May 31,  
21           2018.

22                (xiii) 0.3900% for June 1, 2018, through May 31,  
23           2019.

24                (xiv) 0.4433% for June 1, 2019, through May 31,  
25           2020.

26                (xv) 0.5000% for June 1, 2020, [and thereafter.]  
27           through May 31, 2021.

28           (3) Upon commencement of the beginning of the 6th  
29           reporting year, the commission shall undertake a review of  
30           the compliance by electric distribution companies and

1 electric generation suppliers with the requirements of this  
2 act. The review shall also include the status of alternative  
3 energy technologies within this Commonwealth and the capacity  
4 to add additional alternative energy resources. [The  
5 commission shall use the results of this review to recommend  
6 to the General Assembly additional compliance goals beyond  
7 year 15.] The commission shall work with the department in  
8 evaluating the future alternative energy resource potential.

9 (b.1) Tier I and solar photovoltaic shares beginning in the  
10 16th reporting year.--

11 (1) Each electric distribution company and electric  
12 generation supplier shall purchase, at a minimum, an amount  
13 of Tier I alternative energy credits equal to the percentage  
14 of electric energy required to be sold by an electric  
15 distribution company or electric generation supplier to  
16 retail electric customers from Tier I alternative energy  
17 sources for that reporting year and as provided under this  
18 subsection. Beginning in the 16th reporting year commencing  
19 on June 1, 2021, the minimum percentage of electric energy  
20 required to be sold by an electric distribution company or  
21 electric generation supplier to retail electric customers in  
22 this Commonwealth from Tier I alternative energy sources for  
23 each reporting year is:

24 (i) 10.444% for June 1, 2021, through May 31, 2022.

25 (ii) 12.888% for June 1, 2022, through May 31, 2023.

26 (iii) 15.332% for June 1, 2023, through May 31,  
27 2024.

28 (iv) 18.00% for June 1, 2024, through May 31, 2025,  
29 and thereafter.

30 (2) (i) Beginning in the 16th reporting year commencing

1 on June 1, 2021, the minimum of the electric energy sold  
2 by an electric distribution company or electric  
3 generation supplier to retail electric customers in this  
4 Commonwealth that must be sold from solar photovoltaic  
5 technologies that are owned and operated by customer-  
6 generators is:

7 (A) 0.70% for June 1, 2021, through May 31,  
8 2022.

9 (B) 1.00% for June 1, 2022, through May 31,  
10 2023.

11 (C) 1.35% for June 1, 2023, through May 31,  
12 2024.

13 (D) 1.75% for June 1, 2024, through May 31,  
14 2025, and thereafter.

15 (ii) For purposes of the requirements under  
16 subparagraph (i), solar photovoltaic technologies that  
17 are owned and operated by customer-generators shall  
18 include any of the following:

19 (A) Solar photovoltaic technologies that were  
20 certified before or on May 31, 2021, under subsection  
21 (b)(2) and qualify to generate solar alternative  
22 energy credits in accordance with section 3.1.

23 (B) Solar photovoltaic technologies that qualify  
24 as customer-generators certified under subsection (b)  
25 (2).

26 (iii) For purposes of the requirements under  
27 subparagraphs (i) and (ii), for each year at least 75% of  
28 the total aggregate customer-generator capacity of the  
29 systems that qualify under this requirement must be  
30 interconnected on the customer-generator's side of the

1       utility meter.

2       (3) Beginning in the 16th reporting year commencing on  
3 June 1, 2021, and each reporting year thereafter, a solar  
4 photovoltaic system that is certified before or on May 31,  
5 2021, provided the system meets the requirements under  
6 section 3.1, shall be included in the percentage of the  
7 required solar photovoltaic energy systems owned and operated  
8 by customer-generators under paragraph (2).

9       (4) A solar photovoltaic energy system owned and  
10 operated by a customer-generator in accordance with paragraph  
11 (2) shall remain eligible to receive solar alternative energy  
12 credits for no more than 15 years beginning on June 1, 2021,  
13 or 15 years beginning on the date of the solar photovoltaic  
14 energy system's certification if the certification occurs  
15 after June 1, 2021. Upon expiration of the 15-year period  
16 specified under this paragraph, the solar photovoltaic energy  
17 system shall be eligible for alternative energy credits  
18 provided for Tier I alternative energy sources under  
19 paragraph (1).

20       (5) Beginning in the 16th reporting year commencing on  
21 June 1, 2021, the minimum percentage of the electric energy  
22 sold by an electric distribution company or electric  
23 generation supplier to retail electric customers in this  
24 Commonwealth that must be sold from solar photovoltaic  
25 technologies from non-customer-generators is:

26           (i) 0.94% for June 1, 2021, through May 31, 2022.

27           (ii) 1.88% for June 1, 2022, through May 31, 2023.

28           (iii) 2.81% for June 1, 2023, through May 31, 2024.

29           (iv) 3.75% for June 1, 2024, through May 31, 2025,

30       and thereafter.



1       (6) No later than one year after the effective date of  
2       this subsection, the commission shall establish regulations  
3       to ensure diversification across all customer-generators  
4       under paragraph (2), including, but not limited to, solar  
5       photovoltaic systems that are interconnected at residential  
6       or commercial locations or customer-generators whose systems  
7       are for virtual meter aggregation.

8       (7) This subsection shall not apply to the certification  
9       of a solar photovoltaic energy system with a contract for the  
10       sale and purchase of alternative energy credits derived from  
11       solar photovoltaic energy sources entered into before or on  
12       May 31, 2021, provided that the system meets the requirements  
13       under section 3.1.

14       (8) This subsection shall apply to a contract for the  
15       sale and purchase of alternative energy credits derived from  
16       solar photovoltaic energy sources entered into or renewed for  
17       reporting years commencing after May 31, 2021.

18       \* \* \*

19       (f) Alternative compliance payment.--

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

24       (2) The commission shall conduct a review of each  
25       determination made under subsections (b), (b.1) and (c). If,  
26       after notice and hearing, the commission determines that an  
27       electric distribution company or electric generation supplier  
28       has failed to comply with subsections (b), (b.1) and (c), the  
29       commission shall impose an alternative compliance payment on  
30       that electric distribution company or electric generation

1 supplier.

2 (3) [The] Through May 31, 2021, the alternative  
3 compliance payment, with the exception of the solar  
4 photovoltaic share compliance requirement set forth in  
5 subsection (b)(2), shall be \$45 times the number of  
6 additional alternative energy credits needed in order to  
7 comply with subsection (b) or (c).

8 (4) [The] Through May 31, 2021, the alternative  
9 compliance payment for the solar photovoltaic share required  
10 under subsection (b)(2) shall be 200% of the average market  
11 value of solar renewable energy credits sold during the  
12 reporting period within the service region of the regional  
13 transmission organization, including, where applicable, the  
14 levelized up-front rebates received by sellers of solar  
15 [renewable] alternative energy credits in other jurisdictions  
16 in the PJM Interconnection, L.L.C. transmission organization  
17 (PJM) or its successor.

18 (4.1) Beginning with the reporting year commencing on  
19 June 1, 2021, and each reporting year thereafter, the  
20 alternative compliance payment required for solar  
21 photovoltaic energy systems, with the exception of the  
22 customer-generator solar photovoltaic share compliance  
23 requirement specified under subsection (b.1)(2) shall  
24 decrease by \$5 from the previous reporting year until the  
25 alternative compliance payment is \$25 by May 31, 2025, and  
26 continues thereafter.

27 (4.2) Beginning June 1, 2021, the alternative compliance  
28 payment for the customer-generator solar photovoltaic share  
29 compliance requirement specified under subsection (b.1)(2)  
30 shall be an amount equal to the product of \$125 multiplied by

1 the number of additional alternative energy credits required  
2 to comply with subsection (b.1)(2) from June 1, 2021, through  
3 May 31, 2025.

4 (4.3) Beginning with the reporting year commencing on  
5 June 1, 2025, and each reporting year thereafter, the  
6 alternative compliance payment required for the customer-  
7 generator solar photovoltaic share compliance requirement  
8 specified under subsection (b.1)(2)(i) shall decrease by \$5  
9 from the previous reporting year until the alternative  
10 compliance payment is \$25 by May 31, 2045, and continues  
11 thereafter.

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

23 (g) Transfer [to sustainable development funds] of  
24 alternative compliance payments.--

25 \* \* \*

26 (2) The alternative compliance payments shall be  
27 utilized solely for [projects] any of the following:

28 (i) Projects that will increase the amount of  
29 electric energy generated from alternative energy  
30 resources for purposes of compliance with subsections

(b), (b.1) and (c).

(ii) Workforce development programs to train workers  
in renewable energy industries.

\* \* \*

Section 3. The act is amended by adding sections to read:

Section 3.1. Solar photovoltaic technology requirements.

(a) System requirements.--Notwithstanding section 4, in  
order to qualify as an alternative energy source eligible to  
meet the solar photovoltaic share of the compliance requirements  
under section 3, a solar photovoltaic system must do one of the  
following:

(1) Directly deliver the electricity that the solar  
photovoltaic share generates to a retail customer of an  
electric distribution company or to the distribution system  
operated by an electric distribution company operating in  
this Commonwealth and currently obligated to meet the  
compliance requirements specified under section 3.

(2) Directly connect to the electric system of an  
electric cooperative or municipal electric system operating  
in this Commonwealth.

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

(b) Construction.--

(1) Nothing under this section or section 4 shall be  
construed to affect any of the following:

(i) A certification originating in this Commonwealth  
and granted before the effective date of this section of  
a solar photovoltaic energy generator as a qualifying  
alternative energy source eligible to meet the solar

1 photovoltaic share of this Commonwealth's alternative  
2 energy portfolio compliance requirements under section 3.

3 (ii) A certification of a solar photovoltaic system  
4 with a binding written contract for the sale and purchase  
5 of alternative energy credits derived from solar  
6 photovoltaic energy sources entered into before October  
7 30, 2017.

8 (2) This subsection shall apply to contracts entered  
9 into or renewed on or after October 30, 2017.

10 Section 3.2. Contract requirements for solar photovoltaic  
11 energy system sources.

12 (a) Low-cost procurement for non-customer-generators.--

13 (1) To assure the lowest-cost procurement, two-thirds of  
14 the annual total percentage requirement from solar  
15 photovoltaic sources as specified under section 3(b.1)(5)  
16 shall be procured through contracts of no less than 12 years  
17 and no more than 20 years for both energy and alternative  
18 energy credits required under this subsection. Energy  
19 procured to satisfy the requirements of this subsection may  
20 not be used to satisfy the procurement requirement under  
21 subsection (b).

22 (2) An electric distribution company with more than one  
23 million annual megawatt hours of retail load shall:

24 (i) procure energy and alternative energy credits  
25 based on the total electric energy sold to all customers  
26 in the electric distribution company's service territory,  
27 without regard to whether the supplier of the retail  
28 sales is the electric distribution company or an electric  
29 generation supplier;

30 (ii) issue annual requests for proposals for

1 competitive long-term procurement of solar energy and  
2 alternative energy credits and enter into contracts in  
3 compliance with this subsection in accordance with  
4 regulations established by the commission; and

5 (iii) be entitled to a presumption of prudence and  
6 full cost recovery in distribution rates of payments for  
7 competitive procurements made under this subsection at a  
8 levelized price over the term of the contract of less  
9 than one-half of the applicable alternative compliance  
10 payment.

11 (3) For purposes of any true-up required under this  
12 subsection, the following apply:

13 (i) If contracts executed to meet the requirements  
14 of this section fail to deliver the quantities required  
15 in any given year, the electric distribution company  
16 shall procure alternative energy credits during the true-  
17 up period established under section 3(e)(5).

18 (ii) Electric generation suppliers in the territory  
19 of the electric distribution company shall not have an  
20 obligation to purchase alternative energy credits for the  
21 share of the requirements under this section and shall  
22 not be responsible for true-up or the payment of any  
23 penalty for failure to comply with this section.

24 (4) No later than December 1, 2020, the commission shall  
25 establish regulations to implement the requirements under  
26 this subsection and provide for the issuance and execution of  
27 the first competitive procurement contracts for the supply of  
28 alternative energy credits beginning with the reporting year  
29 commencing on June 1, 2021. The regulations shall address,  
30 but not be limited to, all of the following:

1           (i) Competitive contract procurement.  
2           (ii) Alternative energy credit retirement.  
3           (iii) Guidance on the prudence of proposed  
4 purchases, including a presumption of prudence if the  
5 annualized cost of alternative energy credits is less  
6 than one-half of the applicable alternative compliance  
7 payment.

8           (iv) Competitiveness review using standard industry  
9 practices to ensure that each solicitation is competitive  
10 and providing for the prompt re-issuance of a  
11 solicitation deemed to be uncompetitive.

12           (v) Cost recovery for electric distribution  
13 companies for prudent and competitive contracts.

14           (vi) Alternative energy credit true-up of  
15 procurement shortfalls in subsequent year contract  
16 procurements.

17 (b) Low-cost procurement for nonsolar Tier I resources.--

18           (1) No later than December 1, 2020, the commission shall  
19 establish regulations providing for competitive procurement  
20 of at least one-sixth of the nonsolar Tier I alternative  
21 energy required under section 3(b.1)(1) under contracts with  
22 a term of no less than 10 years and no more than 15 years  
23 beginning with the reporting year commencing on June 1, 2021.  
24 The competitive procurements under this subsection shall  
25 result in contracts for both energy and alternative energy  
26 credits for nonsolar Tier I alternative energy resources for  
27 the purpose of satisfying the requirements under section  
28 (3) (b.1) (1). The requirements under this paragraph shall not  
29 apply to the solar photovoltaic share requirements under  
30 section 3(b.1) (2) or (5).

1       (2) In establishing regulations under paragraph (1), the  
2       commission shall collaborate with stakeholders, including,  
3       but not limited to, the department, energy generation  
4       suppliers, renewable energy developers and electric  
5       distribution companies, and determine the benefit to electric  
6       customers in this Commonwealth based on the following  
7       factors:

8               (i) The savings to electric customers resulting from  
9               the procurement of alternative energy credits under this  
10              section.

11              (ii) The preference for new generation resources  
12              with reduced emissions as determined by the department.

13              (iii) The parties to the contracts.

14              (iv) The design of the competitive procurement  
15              process.

16              (v) The terms to be included in the contracts based  
17              on commercial reasonableness for the parties to the  
18              contracts.

19       (c) Definitions.--As used in this section, the term  
20       "procure" or "procurement" shall mean to acquire by ownership a  
21       renewable energy storage system or a contractual right to use  
22       the energy from, or the capacity of, a renewable energy storage  
23       system.

24       Section 3.3. Renewable energy storage report.

25       (a) Report.--No later than one year after the effective date  
26       of this section, the commission, in consultation with the PJM  
27       Interconnection, L.L.C. transmission organization (PJM) or its  
28       successor and stakeholders, including, but not limited to,  
29       third-party electric generation suppliers and electric  
30       utilities, shall conduct a renewable energy storage analysis and



1 submit a report to the Governor and General Assembly concerning  
2 renewable energy storage needs and opportunities and costs and  
3 benefits in this Commonwealth.

4 (b) Contract.--The commission shall contract with an  
5 independent consultant selected through a competitive request  
6 for proposal process to produce the report under this section.

7 (c) Report.--At a minimum, the commission shall compile the  
8 report in the following manner:

9 (1) Use 2,000 megawatt hours of renewable energy storage  
10 as a benchmark target goal.

11 (2) Identify and measure the potential costs and  
12 benefits of deployment based on all of the following factors:

13 (i) Deferred investments in generation, transmission  
14 and distribution facilities.

15 (ii) Reduced ancillary services costs.

16 (iii) Reduced transmission and distribution  
17 congestion.

18 (iv) Reduced peak power costs and capacity costs.

19 (v) Reduced costs for emergency power supplies  
20 during outages.

21 (vi) Curtailment of nonrenewable energy generators  
22 to meet peak demand.

23 (vii) Reduced greenhouse gas emissions.

24 (3) Analyze and estimate all of the following:

25 (i) The ability to integrate renewable energy  
26 resources with energy storage systems.

27 (ii) The benefits of coupling the storage to meet  
28 peak demand.

29 (iii) The impact of renewable energy storage on grid  
30 reliability and power quality.

1           (iv) The impact on retail electric rates over the  
2           useful life of a renewable energy storage system compared  
3           to the same services using other facilities or resources.

4           (4) Consider whether the implementation of renewable  
5           electric energy storage systems would promote the use of  
6           electric vehicles in this Commonwealth and the potential  
7           impact on renewable energy production in this Commonwealth.

8           (5) Analyze the types of renewable energy storage  
9           technologies currently being implemented in this Commonwealth  
10          and other states.

11          (6) Consider the benefits and costs to retail electric  
12          customers in this Commonwealth, political subdivisions and  
13          electric public utilities associated with the development and  
14          implementation of additional renewable energy storage  
15          technologies.

16          (7) Determine the optimal amount of renewable energy  
17          storage that should be added in this Commonwealth during the  
18          next five years to provide the maximum benefit to retail  
19          electric customers in this Commonwealth.

20          (8) Determine the optimum points of entry into the  
21          electric distribution system for distributed energy  
22          resources.

23          (9) Calculate the cost to retail electric customers in  
24          this Commonwealth of adding the optimal amount of renewable  
25          energy storage.

26 Section 3.4. Energy storage deployment targets.

27          (a) Determination.--No later than 90 days after completion  
28          of the report under section 3.3, the commission shall determine  
29          appropriate energy storage deployment targets that each electric  
30          distribution company needs to achieve by December 31, 2025,

1 including any interim targets. In making the determination, the  
2 commission shall consider all of the following:

3 (1) The contents of the report under section 3.3.

4 (2) Adopting specific subcategories of deployment by  
5 point of interconnection.

6 (3) Adopting requirements or processes for all of the  
7 following:

8 (i) The competitive deployment of energy storage  
9 services from third parties.

10 (ii) The direct purchase of storage devices.

11 (4) Appropriate accountability mechanisms, including  
12 reporting requirements, for investor-owned electric utilities  
13 to procure energy storage in sufficient quantities to meet  
14 the targets established by the commission.

15 (5) If advised by the report under section 3.3, creating  
16 a renewable peak standard that would set targets for meeting  
17 peak demand with renewable energy co-located with storage,  
18 including all of the following:

19 (i) Demand response technology or energy storage  
20 that is paired solely with a Tier I alternative energy  
21 source that generates, dispatches or discharges energy to  
22 an electric distribution system during seasonal peak  
23 periods as determined by the commission or reduce load on  
24 the system.

25 (ii) Renewable energy storage systems that can be  
26 co-located with the Tier I alternative energy sources or  
27 paired virtually, as long as the storage facility is  
28 within the boundaries of the same electric distribution  
29 company's service territory and specifically located to  
30 reduce peak demand.

1     (b) Definitions.--As used in this section, the term  
2     "procure" or "procurement" shall mean to acquire by ownership a  
3     renewable energy storage system or a contractual right to use  
4     the energy from, or the capacity of, a renewable energy storage  
5     system.

6     Section 3.5. Contracts for solar photovoltaic technologies by  
7     Commonwealth agencies.

8     (a) Public works.--Except as provided under subsection (b),  
9     a Commonwealth agency shall require that a contract for the  
10    construction, reconstruction, alteration, repair, improvement or  
11    maintenance of public works contain a provision that, if any  
12    solar photovoltaic technologies to be used or supplied in the  
13    performance of the contract, only solar photovoltaic  
14    technologies manufactured in the United States shall be used or  
15    supplied in the performance of the contract or any subcontracts  
16    under the contract.

17    (b) Exception.--The requirement under subsection (a) shall  
18    not apply if the head of the Commonwealth agency, in writing,  
19    determines that the solar photovoltaic technologies are not  
20    manufactured in the United States in sufficient quantities to  
21    meet the requirements of the contract.

22    (c) Definitions.--As used in this section, the term "public  
23    work" shall have the same meaning given to it in section 2(5) of  
24    the act of August 15, 1961 (P.L.987, No.442), known as the  
25    Pennsylvania Prevailing Wage Act.

26     Section 4. Section 4 of the act is amended to read:  
27     Section 4. Portfolio requirements in other states.

28     If an electric distribution [**supplier**] company or electric  
29     generation [**company**] supplier provider sells electricity in any  
30     other state and is subject to [**renewable**] alternative energy

1 portfolio requirements in that state, they shall list any such  
2 requirement and shall indicate how it satisfied those  
3 [renewable] alternative energy portfolio requirements. To  
4 prevent double-counting, the electric distribution [supplier]  
5 company or electric generation [company] supplier shall not  
6 satisfy Pennsylvania's alternative energy portfolio requirements  
7 using alternative energy used to satisfy another state's  
8 portfolio requirements or alternative energy credits already  
9 purchased by individuals, businesses or government bodies that  
10 do not have a compliance obligation under this act unless the  
11 individual, business or government body sells those credits to  
12 the electric distribution company or electric generation  
13 supplier. Energy derived from alternative energy sources inside  
14 the geographical boundaries of this Commonwealth shall be  
15 eligible to meet the compliance requirements under this act.  
16 Energy derived from alternative energy sources located outside  
17 the geographical boundaries of this Commonwealth but within the  
18 service territory of a regional transmission organization that  
19 manages the transmission system in any part of this Commonwealth  
20 shall only be eligible to meet the compliance requirements of  
21 electric distribution companies or electric generation suppliers  
22 located within the service territory of the same regional  
23 transmission organization. For purposes of compliance with this  
24 act, alternative energy sources located in the PJM  
25 Interconnection, L.L.C. regional transmission organization (PJM)  
26 or its successor service territory shall be eligible to fulfill  
27 compliance obligations of all Pennsylvania electric distribution  
28 companies and electric generation suppliers. Energy derived from  
29 alternative energy sources located outside the service territory  
30 of a regional transmission organization that manages the

1 transmission system in any part of this Commonwealth shall not  
2 be eligible to meet the compliance requirements of this act.  
3 Electric distribution companies and electric generation  
4 suppliers shall document that this energy was not used to  
5 satisfy another state's [renewable] alternative energy portfolio  
6 standards.

7 Section 5. Repeals are as follows:

8 (1) The General Assembly declares that the repeal under  
9 paragraph (2) is necessary to effectuate the addition of  
10 section 3.1 of the act.

11 (2) Section 2804 of the act of April 9, 1929 (P.L.177,  
12 No.175), known as The Administrative Code of 1929, is  
13 repealed.

14 Section 6. This act shall take effect immediately.