
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1297 Session of
2020

INTRODUCED BY KILLION AND LAUGHLIN, OCTOBER 5, 2020

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, OCTOBER 5, 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
25 context clearly indicates otherwise:

1 * * *

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

6 * * *

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

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

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

17 (i) A customer-generator.

18 (ii) An electric generation supplier.

19 (iii) An electric distribution company.

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

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

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

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

1 * * *

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

5 Section 3. Alternative energy portfolio standards.

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

7 * * *

8 (3) All costs for:

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

16 (ii) payments for alternative energy credits, in
17 both cases that are voluntarily acquired by an electric
18 distribution company during the cost recovery period on
19 behalf of its customers shall be deferred as a regulatory
20 asset by the electric distribution company and fully
21 recovered, with a return on the unamortized balance,
22 pursuant to an automatic energy adjustment clause under
23 66 Pa.C.S. § 1307 (relating to sliding scale of rates;
24 adjustments) as a cost of generation supply under 66
25 Pa.C.S. § 2807 (relating to duties of electric
26 distribution companies) in the first year after the
27 expiration of its cost-recovery period. After the cost-
28 recovery period, any direct or indirect costs for the
29 purchase by electric distribution companies of resources
30 to comply with this section, including, but not limited

1 to, the purchase of electricity generated from
2 alternative energy sources, payments for alternative
3 energy credits, cost of credits banked, payments to any
4 third party administrators for performance under this act
5 and costs levied by a regional transmission organization
6 to ensure that alternative energy sources are reliable,
7 shall be recovered on a full and current basis pursuant
8 to an automatic energy adjustment clause under 66 Pa.C.S.
9 § 1307 as a cost of generation supply under 66 Pa.C.S. §
10 2807.

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

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

30 (2) [The] Through the 15th reporting year ending May 31,

1 2021, the total percentage of the electric energy sold by an
2 electric distribution company or electric generation supplier
3 to retail electric customers in this Commonwealth that must
4 be sold from solar photovoltaic technologies is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (iv) 18.000% for June 1, 2024, through May 31, 2025,
28 and thereafter.

29 (2) (i) Beginning in the 16th reporting year commencing
30 on June 1, 2021, the minimum percentage of the electric

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 and thereafter.

30 (6) No later than one year after the effective date of

1 this subsection, the commission shall establish regulations
2 to ensure diversification across all customer-generators
3 under paragraph (2), including, but not limited to, solar
4 photovoltaic systems that are interconnected at residential
5 or commercial locations or customer-generators whose systems
6 are for virtual meter aggregation.

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

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

17 * * *

18 (f) Alternative compliance payment.--

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

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

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

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

17 (4.1) Beginning with the reporting year commencing on
18 June 1, 2021, and each reporting year thereafter, the
19 alternative compliance payment required for solar
20 photovoltaic energy systems, with the exception of the
21 customer-generator solar photovoltaic share compliance
22 requirement specified under subsection (b.1) (2), shall
23 decrease by \$5 from the previous reporting year until the
24 alternative compliance payment is \$25 by May 31, 2025, and
25 continues thereafter.

26 (4.2) Beginning June 1, 2021, the alternative compliance
27 payment for the customer-generator solar photovoltaic share
28 compliance requirement specified under subsection (b.1) (2)
29 shall be an amount equal to the product of \$125 multiplied by
30 the number of additional alternative energy credits required

1 to comply with subsection (b.1)(2) from June 1, 2021, through
2 May 31, 2025. Beginning with the reporting year commencing on
3 June 1, 2025, and each reporting year thereafter, the
4 alternative compliance payment required for the customer-
5 generator solar photovoltaic share compliance requirement
6 specified under subsection (b.1)(2)(i) shall decrease by \$5
7 from the previous reporting year until the alternative
8 compliance payment is \$25 by May 31, 2045, and continues
9 thereafter.

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

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

23 * * *

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

26 (i) Projects that will increase the amount of
27 electric energy generated from alternative energy
28 resources for purposes of compliance with subsections
29 (b), (b.1) and (c).

30 (ii) Workforce development programs to train workers

1 in renewable energy industries.

2 * * *

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

4 Section 3.1. Solar photovoltaic technology requirements.

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

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

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

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

22 (b) Construction.--

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

25 (i) A certification originating in this Commonwealth
26 and granted before the effective date of this section of
27 a solar photovoltaic energy generator as a qualifying
28 alternative energy source eligible to meet the solar
29 photovoltaic share of this Commonwealth's alternative
30 energy portfolio compliance requirements under section 3.

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

6 (2) This section shall apply to contracts entered into
7 or renewed on or after October 30, 2017.

8 Section 3.2. Contract requirements for solar photovoltaic
9 energy system sources.

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

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

20 (2) An electric distribution company with more than
21 1,000,000 annual megawatt hours of retail load shall:

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

28 (ii) issue annual requests for proposals for
29 competitive long-term procurement of solar energy and
30 alternative energy credits and enter into contracts in

1 compliance with this subsection in accordance with
2 regulations established by the commission; and

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

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

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

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

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

29 (i) Competitive contract procurement.

30 (ii) Alternative energy credit retirement.

1 (iii) Guidance on the prudence of proposed
2 purchases, including a presumption of prudence if the
3 annualized cost of alternative energy credits is less
4 than one-half of the applicable alternative compliance
5 payment.

6 (iv) Competitiveness review using standard industry
7 practices to ensure that each solicitation is competitive
8 and providing for the prompt reissuance of a solicitation
9 deemed to be uncompetitive.

10 (v) Cost recovery for electric distribution
11 companies for prudent and competitive contracts.

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

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

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

30 (2) In establishing regulations under paragraph (1), the

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

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

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

12 (iii) The parties to the contracts.

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

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

18 Section 3.3. Renewable energy storage report.

19 (a) Report.--No later than one year after the effective date
20 of this section, the commission, in consultation with the PJM
21 Interconnection, L.L.C. transmission organization (PJM) or its
22 successor and stakeholders, including, but not limited to,
23 third-party electric generation suppliers and electric
24 utilities, shall conduct a renewable energy storage analysis and
25 submit a report to the Governor and the General Assembly
26 concerning renewable energy storage needs and opportunities and
27 costs and benefits in this Commonwealth.

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

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

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

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

7 (i) Deferred investments in generation, transmission
8 and distribution facilities.

9 (ii) Reduced ancillary services costs.

10 (iii) Reduced transmission and distribution
11 congestion.

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

13 (v) Reduced costs for emergency power supplies
14 during outages.

15 (vi) Curtailment of nonrenewable energy generators
16 to meet peak demand.

17 (vii) Reduced greenhouse gas emissions.

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

19 (i) The ability to integrate renewable energy
20 resources with energy storage systems.

21 (ii) The benefits of coupling the storage to meet
22 peak demand.

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

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

28 (4) Consider whether the implementation of renewable
29 electric energy storage systems would promote the use of
30 electric vehicles in this Commonwealth and the potential

1 impact on renewable energy production in this Commonwealth.

2 (5) Analyze the types of renewable energy storage
3 technologies currently being implemented in this Commonwealth
4 and other states.

5 (6) Consider the benefits and costs to retail electric
6 customers in this Commonwealth, political subdivisions and
7 electric public utilities associated with the development and
8 implementation of additional renewable energy storage
9 technologies.

10 (7) Determine the optimal amount of renewable energy
11 storage that should be added in this Commonwealth during the
12 next five years to provide the maximum benefit to retail
13 electric customers in this Commonwealth.

14 (8) Determine the optimum points of entry into the
15 electric distribution system for distributed energy
16 resources.

17 (9) Calculate the cost to retail electric customers in
18 this Commonwealth of adding the optimal amount of renewable
19 energy storage.

20 Section 3.4. Energy storage deployment targets.

21 (a) Determination.--No later than 90 days after completion
22 of the report under section 3.3, the commission shall determine
23 appropriate energy storage deployment targets that each electric
24 distribution company needs to achieve by December 31, 2025,
25 including any interim targets. In making the determination, the
26 commission shall consider all of the following:

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

28 (2) Adopting specific subcategories of deployment by
29 point of interconnection.

30 (3) Adopting requirements or processes for all of the

1 following:

2 (i) The competitive deployment of energy storage
3 services from third parties.

4 (ii) The direct purchase of storage devices.

5 (4) Appropriate accountability mechanisms, including
6 reporting requirements, for investor-owned electric utilities
7 to procure energy storage in sufficient quantities to meet
8 the targets established by the commission.

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

13 (i) Demand response technology or energy storage
14 that is paired solely with a Tier I alternative energy
15 source that generates, dispatches or discharges energy to
16 an electric distribution system during seasonal peak
17 periods as determined by the commission or reduce load on
18 the system.

19 (ii) Renewable energy storage systems that can be
20 co-located with the Tier I alternative energy sources or
21 paired virtually, as long as the storage facility is
22 within the boundaries of the same electric distribution
23 company's service territory and specifically located to
24 reduce peak demand.

25 (b) Definitions.--As used in this section, the term
26 "procure" shall mean to acquire by ownership a renewable energy
27 storage system or a contractual right to use the energy from, or
28 the capacity of, a renewable energy storage system.

29 Section 3.5. Contracts for solar photovoltaic technologies by
30 Commonwealth agencies.

1 (a) Public works.--Except as provided under subsection (b),
2 a Commonwealth agency shall require that a contract for the
3 construction, reconstruction, alteration, repair, improvement or
4 maintenance of public works contain a provision that, if any
5 solar photovoltaic technologies are to be used or supplied in
6 the performance of the contract, only solar photovoltaic
7 technologies manufactured in the United States shall be used or
8 supplied in the performance of the contract or any subcontracts
9 under the contract.

10 (b) Exception.--The requirement under subsection (a) shall
11 not apply if the head of the Commonwealth agency, in writing,
12 determines that the solar photovoltaic technologies are not
13 manufactured in the United States in sufficient quantities to
14 meet the requirements of the contract.

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

19 Section 4. Section 4 of the act is amended to read:

20 Section 4. Portfolio requirements in other states.

21 If an electric distribution [**supplier**] company or electric
22 generation [**company**] supplier provider sells electricity in any
23 other state and is subject to [**renewable**] alternative energy
24 portfolio requirements in that state, they shall list any such
25 requirement and shall indicate how it satisfied those
26 [**renewable**] alternative energy portfolio requirements. To
27 prevent double-counting, the electric distribution [**supplier**]
28 company or electric generation [**company**] supplier shall not
29 satisfy Pennsylvania's alternative energy portfolio requirements
30 using alternative energy used to satisfy another state's

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

30 Section 5. Repeals are as follows:

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

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

7 Section 6. This act shall take effect immediately.