
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1080 Session of
2021

INTRODUCED BY QUINN, HERRIN, D. WILLIAMS, MILLARD, N. NELSON,
ZABEL, BENHAM, HILL-EVANS, KINKEAD AND CIRESI, APRIL 1, 2021

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
APRIL 1, 2021

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 energy storage
12 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

1 context clearly indicates otherwise:

2 * * *

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

6 * * *

7 "Energy storage system." A commercially available
8 technology, including any electrochemical, thermal and
9 electromechanical technology, that is capable of absorbing and
10 storing electrical energy for any period of time for use at a
11 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 * * *

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

29 The 12-month period from June 1 through May 31. A reporting year
30 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% for June 1, 2021, through May 31, 2022.

25 (ii) 12% for June 1, 2022, through May 31, 2023.

26 (iii) 14% for June 1, 2023, through May 31, 2024.

27 (iv) 16% for June 1, 2024, through May 31, 2025.

28 (v) 18% for June 1, 2025, through May 31, 2026, and
29 thereafter.

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

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

7 (A) 0.61% for June 1, 2021, through May 31,
8 2022.

9 (B) 0.75% for June 1, 2022, through May 31,
10 2023.

11 (C) 0.95% for June 1, 2023, through May 31,
12 2024.

13 (D) 1.25% for June 1, 2024, through May 31,
14 2025.

15 (E) 1.75% for June 1, 2025, through May 31,
16 2026, and thereafter.

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

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

25 (B) Solar photovoltaic technologies that qualify
26 as customer-generators certified under subsection (b)
27 (2).

28 (iii) For purposes of the requirements under
29 subparagraphs (i) and (ii), for each year at least 75% of
30 the total aggregate customer-generator capacity of the

1 systems that qualify under this requirement must be
2 interconnected on the customer-generator's side of the
3 utility meter with the exception of systems that qualify
4 under subparagraph(ii) (A).

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

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

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

29 (i) 0.65% for June 1, 2021, through May 31, 2022.

30 (ii) 1.35% for June 1, 2022, through May 31, 2023.

1 (iii) 2.10% for June 1, 2023, through May 31, 2024.

2 (iv) 2.90% for June 1, 2024, through May 31, 2025.

3 (v) 3.75% for June 1, 2025, through May 21, 2026,

4 and thereafter.

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

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

15 * * *

16 (f) Alternative compliance payment.--

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

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

29 (3) [The] Through May 31, 2021, the alternative
30 compliance payment, with the exception of the solar

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

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

15 (4.1) Beginning with the reporting year commencing on
16 June 1, 2021, and each reporting year thereafter, the
17 alternative compliance payment, with the exception of the
18 customer-generator solar photovoltaic share compliance
19 requirement specified under subsection (b.1) (2), shall be \$45
20 multiplied by the number of additional alternative energy
21 credits needed in order to comply with subsection (b.1) or
22 (c).

23 (4.2) Beginning with the reporting year commencing on
24 June 1, 2026, and each reporting year thereafter, the
25 alternative compliance payment with the exception of the
26 customer-generator solar photovoltaic share compliance
27 requirement shall decrease by \$5 from the previous reporting
28 year until the alternative compliance payment is \$25 and
29 continues thereafter at \$25.

30 (4.3) Beginning June 1, 2021, the alternative compliance

1 payment for the customer-generator solar photovoltaic share
2 compliance requirement specified under subsection (b.1)(2)
3 shall be an amount equal to the product of \$125 multiplied by
4 the number of additional alternative energy credits required
5 to comply with subsection (b.1)(2) from June 1, 2021, through
6 May 31, 2026.

7 (4.4) Beginning with the reporting year commencing on
8 June 1, 2026, and each reporting year thereafter, the
9 alternative compliance payment required for the customer-
10 generator solar photovoltaic share compliance requirement
11 specified under subsection (b.1)(2)(i) shall decrease by \$5
12 from the previous reporting year until the alternative
13 compliance payment is \$25, and continues thereafter at \$25.

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

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

27 * * *

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

30 (i) Projects that will increase the amount of

1 electric energy generated from alternative energy
2 resources for purposes of compliance with subsections
3 (b), (b.1) and (c).

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

6 * * *

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

8 Section 3.1. Solar photovoltaic technology requirements.

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

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

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

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

26 (b) Construction.--

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

29 (i) A certification originating in this Commonwealth
30 and granted before the effective date of this section of

1 a solar photovoltaic energy generator as a qualifying
2 alternative energy source eligible to meet the solar
3 photovoltaic share of this Commonwealth's alternative
4 energy portfolio compliance requirements under section 3.

5 (ii) A certification of a solar photovoltaic system
6 with a binding written contract for the sale and purchase
7 of alternative energy credits derived from solar
8 photovoltaic energy sources entered into before October
9 30, 2017.

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

12 Section 3.2. Contract requirements for solar photovoltaic
13 energy system sources.

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

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

24 (2) An electric distribution company with more than
25 1,000,000 annual megawatt hours of retail load shall:

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

1 generation supplier;

2 (ii) issue annual requests for proposals for
3 competitive long-term procurement of solar energy and
4 alternative energy credits and enter into contracts in
5 compliance with this subsection in accordance with
6 regulations established by the commission; and

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

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

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

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

26 (4) No later than December 1, 2021, the commission shall
27 establish regulations to implement the requirements under
28 this subsection and provide for the issuance and execution of
29 the first competitive procurement contracts for the supply of
30 alternative energy credits beginning with the reporting year

1 commencing on June 1, 2022. The regulations shall address all
2 of the following:

3 (i) Competitive contract procurement.

4 (ii) Alternative energy credit retirement.

5 (iii) Guidance on the prudence of proposed
6 purchases, including a presumption of prudence if the
7 annualized cost of alternative energy credits is less
8 than one-half of the applicable alternative compliance
9 payment.

10 (iv) Competitiveness review using standard industry
11 practices to ensure that each solicitation is competitive
12 and providing for the prompt reissuance of a solicitation
13 deemed to be uncompetitive.

14 (v) Cost recovery for electric distribution
15 companies for prudent and competitive contracts.

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

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

20 (1) No later than December 1, 2021, the commission shall
21 establish regulations providing for competitive procurement
22 of at least one-sixth of the Tier I alternative energy
23 required under section 3(b.1)(1), except for energy procured
24 under subsection (a), under contracts with a term of no less
25 than 10 years and no more than 15 years beginning with the
26 reporting year commencing on June 1, 2022. The competitive
27 procurements under this subsection shall result in contracts
28 for both energy and alternative energy credits for Tier I
29 alternative energy resources for the purpose of satisfying
30 the requirements under section (3)(b.1)(1). The requirements

1 under this paragraph shall not apply to the solar
2 photovoltaic share requirements under section 3(b.1)(2) or
3 (5).

4 (2) In establishing regulations under paragraph (1), the
5 commission shall collaborate with stakeholders, including the
6 department, energy generation suppliers, renewable energy
7 developers and electric distribution companies, and determine
8 the benefit to electric customers in this Commonwealth based
9 on the following factors:

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

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

15 (iii) The parties to the contracts.

16 (iv) The design of the competitive procurement
17 process.

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

21 Section 3.3. Energy storage report.

22 (a) Report.--No later than one year after the effective date
23 of this section, the commission, in consultation with the PJM
24 Interconnection, L.L.C. regional transmission organization or
25 its successor and stakeholders, including third-party electric
26 generation suppliers and electric utilities, shall conduct an
27 energy storage analysis, including pairing energy storage with
28 Tier I resources, and submit a report to the Governor and the
29 General Assembly concerning needs, opportunities, costs and
30 benefits in this Commonwealth.

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

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

6 (1) Establish an energy storage capacity benchmark in
7 megawatts, including target goals for pairing energy storage
8 with Tier I resources.

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

11 (i) Deferred investments in generation, transmission
12 and distribution facilities.

13 (ii) Reduced ancillary services costs.

14 (iii) Reduced transmission and distribution
15 congestion.

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

17 (v) Reduced costs for emergency power supplies
18 during outages.

19 (vi) Curtailment of nonrenewable energy generators
20 to meet peak demand.

21 (vii) Reduced greenhouse gas emissions.

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

23 (i) The ability to integrate renewable energy
24 resources with energy storage systems.

25 (ii) The benefits of coupling the storage to meet
26 peak demand.

27 (iii) The impact of energy storage on grid
28 reliability and power quality.

29 (iv) The impact on retail electric rates over the
30 useful life of an energy storage system compared to the

1 same services using other facilities or resources.

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

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

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

13 (7) Determine the optimal amount of energy storage
14 paired with Tier I resources that should be added in this
15 Commonwealth during the next five years to provide the
16 maximum benefit to retail electric customers in this
17 Commonwealth.

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

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

24 Section 3.4. Energy storage deployment targets.

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

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

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

4 (3) Adopting requirements or processes for the
5 competitive deployment of energy storage services from third
6 parties.

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

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

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

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

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

1 Section 3.5. Contracts for solar photovoltaic technologies by
2 Commonwealth agencies.

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

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

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

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

22 Section 4. Portfolio requirements in other states.

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

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

1 standards.

2 Section 5. Repeals are as follows:

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

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

9 Section 6. This act shall take effect immediately.