

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1161 Session of 2021

INTRODUCED BY MIZGORSKI, BROOKS, ECKER, GROVE, JOZWIAK, KAIL, MENTZER, STAMBAUGH, THOMAS, ROZZI, STRUZZI, CIRESI, BIZZARRO, FLYNN, HILL-EVANS, A. DAVIS, KINKEAD, LONGIETTI, McNEILL, MALAGARI, DELOZIER, C. WILLIAMS, QUINN AND GUZMAN, APRIL 12, 2021

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 21, 2021

AN ACT

1 Providing for local solar program, for renewable energy credits  
2 and for powers and duties of the Pennsylvania Public Utility  
3 Commission.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Pennsylvania  
8 Local Solar Program Act.

9 Section 2. Findings and declarations.

10 The General Assembly finds and declares as follows:

11 (1) Solar energy can provide jobs in communities in this  
12 Commonwealth.

13 (2) Local solar energy generation in this Commonwealth  
14 can contribute to environmental goals, including reduction in  
15 air pollution, and can foster economic growth in communities  
16 in this Commonwealth.

1           (3) This Commonwealth is a deregulated energy State with  
2 competitive retail markets, making top-down renewable energy  
3 programs more difficult to implement than in vertically  
4 integrated states.

5           (4) Many residents of this Commonwealth are unable to  
6 participate in solar energy generation because they are  
7 constrained by the physical attributes of their home or  
8 business, such as roof space, shading or ownership status.

9           (5) Low-income customers are generally unable to choose  
10 to purchase renewable electricity through the retail market  
11 due to utility program rules that prohibit shopping for  
12 customer assistance program participants or put limits on  
13 costs, which disqualifies renewable energy with its cost  
14 premium.

15           (6) The intent of this act is to:

16           (i) Allow electric customers of this Commonwealth to  
17 use electricity produced by local solar generation within  
18 this Commonwealth.

19           (ii) Support the growth of solar energy projects  
20 constructed in communities within this Commonwealth.

21           (iii) Allow low-income customers an opportunity to  
22 participate in the green economy by electing renewable  
23 energy from local solar generation within this  
24 Commonwealth while maintaining participation in customer  
25 assistance programs.

26 Section 3. Definitions.

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

30           "Commission." The Pennsylvania Public Utility Commission.

1 "Developer." A third-party entity under contract with the  
2 electric distribution company to build, own, operate and  
3 maintain a local solar facility. The term does not include a  
4 subsidiary or affiliate of an electric distribution company.

5 "Electric distribution company." As defined in 66 Pa.C.S. §  
6 2803 (relating to definitions).

7 "Local solar facility." A facility that meets all of the  
8 following:

9 (1) Generates electricity through the use of a  
10 photovoltaic solar device.

11 (2) Is connected to the electric distribution grid  
12 serving this Commonwealth.

13 (3) Is located in the service territory of an electric  
14 distribution company under the jurisdiction of the  
15 commission.

16 (4) Delivers electricity to the distribution system  
17 operated by an electric distribution company operating in  
18 this Commonwealth.

19 (5) Has an electric nameplate capacity that does not  
20 exceed 20 megawatts.

21 "Local solar program." A local solar program established  
22 under section 4(a) offered by an electric distribution company.

23 "Low-income customer." An in-State retail end user of an  
24 electric distribution company that is participating in the  
25 electric distribution company's customer assistance program.

26 "Solar energy rate." The cent-per-kilowatt-hour rate to be  
27 charged to subscribers, which includes generation, capacity and  
28 transmission costs and developer administrative fees, electric  
29 distribution company administration and system fees and taxes.

30 "Subscriber." A retail customer of an electric distribution

1 company that elects to purchase electricity produced by a local  
2 solar facility through a local solar program.

3 Section 4. Local solar programs.

4 (a) Establishment.--An electric distribution company under  
5 the jurisdiction of the commission may establish a local solar  
6 program. If an electric distribution company elects to establish  
7 a local solar program under this section, the following shall  
8 apply:

9 (1) A local solar facility shall be constructed, owned,  
10 operated and maintained by a developer under contract with  
11 the electric distribution company. The developer may not be  
12 owned or operated by the electric distribution company.

13 (2) A developer shall be selected by a request for  
14 proposals open to any interested entity. The request for  
15 proposal shall clearly define the division of  
16 responsibilities and compensation concerning program  
17 marketing, customer service, metering, operation, market  
18 settlement, excess generation, low-income segmentation and  
19 customer pricing.

20 (3) Subject to approval by the commission, an electric  
21 distribution company shall enter into a long-term power  
22 purchase agreement with the developer to purchase all power  
23 produced by a project, with a minimum term of 15 years and a  
24 maximum term of 25 years.

25 (4) A developer shall be responsible for all PJM  
26 Interconnection and electric distribution interconnection  
27 costs, the settlement of subscriber load through the PJM  
28 interconnection market, costs and credits associated with  
29 subscriber settlement through PJM interconnection and any  
30 other costs related to the operation of the facility.

1 (5) No unsubscribed generation may be subject to the  
2 rules and compensation set forth between the developer and  
3 the electric distribution company. NO COSTS PERTAINING TO <--  
4 UNSUBSCRIBED ENERGY MAY BE PASSED ONTO RATEPAYERS BY THE  
5 ELECTRIC DISTRIBUTION COMPANY.

6 (6) An individual who is expected to construct a local  
7 solar project shall have completed an apprenticeship program  
8 under the act of July 14, 1961 (P.L.604, No.304), known as  
9 The Apprenticeship and Training Act.

10 (b) (Reserved).

11 (c) Subscribers.--The following shall apply:

12 (1) Each customer served by an electric distribution  
13 company that elects to offer a local solar program shall be  
14 provided an opportunity to subscribe to the local solar  
15 program of the customer's electric distribution company,  
16 subject to the following customer eligibility criteria:

17 (i) except as provided under subparagraph (iii), all  
18 residential and small commercial and industrial  
19 customers, as defined by the electric distribution  
20 company's tariff and rules, shall be eligible to  
21 participate.

22 (ii) a customer who participates in the electric  
23 distribution company's customer assistance program shall  
24 be eligible to participate in accordance with the limits  
25 under subsection (f); and

26 (iii) a customer that receives net metering service  
27 may not participate.

28 (2) A subscription under paragraph (1) shall allow a  
29 customer to purchase renewable electricity produced by a  
30 local solar facility interconnected to the electric

1 distribution company's system.

2 (3) The solar energy rate shall be reflected in the per-  
3 kilowatt-hour charge for energy on the bill of the customer.  
4 Subscription to a local solar program may not impact other  
5 charges on a customer bill, including transmission and  
6 distribution charges and customer fees.

7 (4) An electric distribution company may not charge a  
8 sign-up fee or other additional charge to a subscriber.

9 (5) A customer shall subscribe for the customer's entire  
10 electricity use per account, or a percentage of a customer's  
11 account, as permitted by an electric distribution company's  
12 local solar program.

13 (6) A subscriber may cancel a subscription at any time  
14 at no cost to the subscriber. An electric distribution  
15 company may not apply cancellation fees.

16 (7) A subscription may be transferred to another service  
17 address within the electric distribution company's service  
18 territory until the subscriber cancels the subscription.

19 (8) A subscription shall be available on a first-come,  
20 first-served basis. If a local solar program is fully  
21 subscribed, the electric distribution company shall maintain  
22 a wait list and allow additional customers to subscribe if  
23 additional subscriptions become available, in the order of  
24 the wait list.

25 (d) Cost recovery.--The following shall apply:

26 (1) All costs of development and operation of a local  
27 solar program shall be incorporated into the solar energy  
28 rate charged to a subscriber for energy usage.

29 (2) An electric distribution company shall be allowed to  
30 recover all costs of the program, including implementation

1 and reasonable administrative costs from each subscriber,  
2 subject to commission approval.

3 (e) Solar renewable energy credits.--Each solar renewable  
4 energy credit generated by a local solar program shall count  
5 toward the electric distribution company's compliance with the  
6 act of November 30, 2004 (P.L.1672, No.213), known as the  
7 Alternative Energy Portfolio Standards Act.

8 (f) Low-income customers.--A portion of a local solar  
9 facility's output in kilowatt hours shall be reserved for  
10 subscription by low-income customers. The amount of output  
11 reserved for low-income participation shall be from a minimum of  
12 5% to a maximum of 15%. The electric distribution company shall  
13 set the low-income customer reservation prior to issuing the  
14 request for proposal to a developer. A low-income customer  
15 subscribing to a local solar program shall remain eligible for  
16 an electric distribution company's customer assistance program.  
17 A low-income customer subscribing to the local solar program  
18 shall pay a rate not to exceed the electric distribution  
19 company's price-to-compare.

20 (g) Implementation and evaluation.--Within 120 days of the  
21 effective date of this section, the commission shall establish  
22 procedures for reviewing and approving a local solar program.  
23 The commission shall establish regulations for approving the  
24 request for proposal process and results, including the cost for  
25 energy, which shall be fixed over the life of the contract. The  
26 commission shall establish a process for evaluating local solar  
27 programs within the first year following activation of the local  
28 solar program, and not less than every three years thereafter,  
29 to ensure that local solar programs are achieving the objectives  
30 of this act.

1 Section 5. Effective date.

2 This act shall take effect in 60 days.