
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1467 Session of
2023

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JUNE 21, 2023

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
JUNE 21, 2023

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 community solar program
11 standards and for contracts for solar photovoltaic
12 technologies by Commonwealth agencies; further providing for
13 portfolio requirements in other states; and making a repeal.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

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

20 Section 2. Definitions.

21 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

4 "Community solar bill credit." The number of kilowatt hours
5 of electricity generated by a community solar facility and
6 allocated to a subscriber's monthly bill to offset any part of
7 the subscriber's retail electric bill other than volumetric or
8 demand-based distribution charges.

9 "Community solar facility." A facility that meets all of the
10 following criteria:

11 (1) Generates electricity by means of a solar
12 photovoltaic device by which subscribers receive a community
13 solar bill credit for the electricity generated proportional
14 to the size of the subscriptions.

15 (2) Is located within this Commonwealth.

16 (3) Is connected to and delivers electricity to a
17 distribution system operated by an electric distribution
18 company operating in this Commonwealth and in compliance with
19 the requirements of this act.

20 (4) Generates electricity by means of a solar
21 photovoltaic device with a nameplate capacity rating that
22 does not exceed 5,000 kilowatts of alternating current.

23 (5) Has at least two subscribers.

24 (6) If the facility has a nameplate capacity rating
25 greater than 3,000 kilowatts of alternating current, the
26 facility has with no single subscriber who subscribes to more
27 than 50% of the facility capacity in kilowatts or output in
28 kilowatt hours, except for a master-metered multifamily
29 residential and commercial building.

30 (7) If the facility has a nameplate capacity rating

1 greater than 3,000 kilowatts of alternating current, no less
2 than 50% of the facility capacity is subscribed by
3 subscriptions of 25 kilowatts or less.

4 (8) Credits some or all of the facility-generated
5 electricity to the bills of subscribers.

6 (9) May be located remotely from a subscriber's premises
7 and may not be required to provide energy to on-site load.

8 (10) Is connected to existing or new retail electric
9 distribution customer accounts within the same electric
10 distribution company's service territory.

11 (11) Is owned or operated by a community solar
12 organization.

13 "Community solar organization." As follows:

14 (1) An entity that owns or operates a community solar
15 facility that may not be required to:

16 (i) be an existing retail electric customer;

17 (ii) purchase electricity directly from an electric
18 distribution company; or

19 (iii) serve electric load independent of the
20 community solar facility or operate under an account held
21 by the same individual or legal entity of the subscribers
22 to the community solar facility.

23 (2) For the purposes of this definition, a community
24 solar organization may not be deemed a utility solely as a
25 result of its ownership or operation of a community solar
26 facility.

27 * * *

28 "Low-income customer." A retail residential end user of an
29 electric distribution company whose household income does not
30 exceed 200% of the Federal poverty level, adjusted for family

1 size, as published periodically in the Federal Register by the
2 United States Department of Health and Human Services as
3 specified under 42 U.S.C. § 9902(2) (relating to definitions).

4 * * *

5 ["Reporting period." The 12-month period from June 1 through
6 May 31. A reporting year shall be numbered according to the
7 calendar year in which it begins and ends.]

8 "Reporting period" or "reporting year." The 12-month period
9 from June 1 through May 31. A reporting period or reporting year
10 shall be numbered according to the calendar year in which it
11 begins and ends.

12 * * *

13 "Subscriber." An electric distribution customer of an
14 electric distribution company who contracts for a subscription
15 of a community solar facility interconnected with the customer's
16 electric distribution company. The term includes an electric
17 distribution customer who owns a portion of a community solar
18 facility.

19 "Subscriber administrator." An entity that recruits and
20 enrolls subscribers, administers subscriber participation in a
21 community solar facility and manages the subscription
22 relationship between subscribers and an electric distribution
23 company. The term may include a community solar organization.
24 For the purposes of this definition, a subscriber administrator
25 may not be considered a utility solely as a result of the
26 subscriber administrator's operation or ownership of a community
27 solar facility.

28 "Subscription." A contract between a subscriber and a
29 subscriber administrator of a community solar facility that
30 entitles the subscriber to a community solar bill credit against

1 the subscriber's retail electric bill.

2 * * *

3 Section 2. Section 3(a)(3)(ii), (b) heading, (1), (2)
4 introductory paragraph and (xv) and (3), (f)(1), (2), (3) and
5 (4) and (g) heading and (2) of the act are amended, subsection
6 (f) is amended by adding paragraphs and the section is amended
7 by adding a subsection to read:

8 Section 3. Alternative energy portfolio standards.

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

10 * * *

11 (3) All costs for:

12 * * *

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

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

8 (b) Tier I and solar photovoltaic shares through the 17th
9 reporting year.--

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

27 (2) [The] Through the 17th reporting year ending May 31,
28 2023, the total percentage of the electric energy sold by an
29 electric distribution company or electric generation supplier
30 to retail electric customers in this Commonwealth that must

1 be sold from solar photovoltaic technologies is:

2 * * *

3 (xv) 0.5000% for June 1, 2020, [and thereafter]
4 through May 31, 2023.

5 (3) Upon commencement of the beginning of the 6th
6 reporting year, the commission shall undertake a review of
7 the compliance by electric distribution companies and
8 electric generation suppliers with the requirements of this
9 act. The review shall also include the status of alternative
10 energy technologies within this Commonwealth and the capacity
11 to add additional alternative energy resources. [The
12 commission shall use the results of this review to recommend
13 to the General Assembly additional compliance goals beyond
14 year 15.] The commission shall work with the department in
15 evaluating the future alternative energy resource potential.

16 (b.1) Tier I and solar photovoltaic shares beginning in the
17 18th reporting year.--

18 (1) Each electric distribution company and electric
19 generation supplier shall purchase, at a minimum, an amount
20 of Tier I alternative energy credits equal to the percentage
21 of electric energy required to be sold by an electric
22 distribution company or electric generation supplier to
23 retail electric customers from Tier I alternative energy
24 sources for that reporting year and as provided under this
25 paragraph. Beginning in the 18th reporting year commencing on
26 June 1, 2023, the minimum percentage of electric energy
27 required to be sold by an electric distribution company or
28 electric generation supplier to retail electric customers in
29 this Commonwealth from Tier I alternative energy sources for
30 each reporting year is:

- 1 (i) 12.89% for June 1, 2023, through May 31, 2024.
2 (ii) 15.33% for June 1, 2024, through May 31, 2025.
3 (iii) 17.78% for June 1, 2025, through May 31, 2026.
4 (iv) 20.22% for June 1, 2026, through May 31, 2027.
5 (v) 22.66% for June 1, 2027, through May 31, 2028.
6 (vi) 25.11% for June 1, 2028, through May 31, 2029.
7 (vii) 27.55% for June 1, 2029, through May 31, 2030.
8 (viii) 30.00% for June 1, 2030, through May 31,
9 2031.

10 (2) An electric generation supplier with an existing
11 written supply contract in effect before the effective date
12 of this paragraph shall be exempt from purchasing increased
13 Tier I alternative energy credits under paragraph (1) for the
14 quantity of load supplied under the existing contract until
15 the supply contract expires. The limited exemption for the
16 quantity of load supplied under an existing contract shall
17 not lead to a reallocation of exempt load requirements to any
18 other electric generation supplier.

19 (3) The following shall apply:

20 (i) Beginning in the 18th reporting year commencing
21 on June 1, 2023, the minimum percentage of the electric
22 energy sold by an electric distribution company or
23 electric generation supplier to retail electric customers
24 in this Commonwealth that must be sold from solar
25 photovoltaic technologies that are owned and operated by
26 customer-generators is:

27 (A) 1.00% for June 1, 2023, through May 31,
28 2024.

29 (B) 1.26% for June 1, 2024, through May 31,
30 2025.

1 (C) 1.59% for June 1, 2025, through May 31,
2 2026.

3 (D) 1.97% for June 1, 2026, through May 31,
4 2027.

5 (E) 2.38% for June 1, 2027, through May 31,
6 2028.

7 (F) 2.83% for June 1, 2028, through May 31,
8 2029.

9 (G) 3.36% for June 1, 2029, through May 31,
10 2030.

11 (H) 4.00% for June 1, 2030, through May 31,
12 2031.

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

17 (A) Solar photovoltaic technologies that were
18 certified before or on May 31, 2023, under subsection
19 (b) (2) and qualify to generate solar alternative
20 energy credits in accordance with section 3.1.

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

24 (4) Beginning in the 18th reporting year commencing on
25 June 1, 2023, and each reporting year thereafter, a solar
26 photovoltaic system that is certified on or before May 31,
27 2023 and meets the requirements under section 3.1 shall be
28 included in the percentage of the required solar photovoltaic
29 energy systems owned and operated by customer-generators
30 under paragraph (3).

1 (5) A solar photovoltaic energy system owned and
2 operated by a customer-generator in accordance with paragraph
3 (4) shall remain eligible to receive solar alternative energy
4 credits for no more than 15 years beginning on June 1, 2023,
5 or 15 years beginning on the date of the solar photovoltaic
6 energy system's certification if the certification occurs
7 after June 1, 2023. Upon expiration of the 15-year period
8 specified under this paragraph, the solar photovoltaic energy
9 system shall be eligible for alternative energy credits
10 provided for Tier I alternative energy sources under
11 paragraph (1).

12 (6) Beginning in the 18th reporting year commencing on
13 June 1, 2023, the minimum percentage of the electric energy
14 sold by an electric distribution company or electric
15 generation supplier to retail electric customers in this
16 Commonwealth that must be sold from solar photovoltaic
17 technologies that are owned and operated by community solar
18 organizations is:

19 (i) 0.00% for June 1, 2023, through May 31, 2024.

20 (ii) 0.35% for June 1, 2024, through May 31, 2025.

21 (iii) 0.95% for June 1, 2025, through May 31, 2026.

22 (iv) 1.55% for June 1, 2026, through May 31, 2027.

23 (v) 1.70% for June 1, 2027, through May 31, 2028.

24 (vi) 1.80% for June 1, 2028, through May 31, 2029.

25 (vii) 1.90% for June 1, 2029, through May 31, 2030.

26 (viii) 2.00% for June 1, 2030, through May 31, 2031.

27 (7) A community solar facility owned and operated by a
28 community solar organization in accordance with paragraph (6)
29 shall remain eligible to receive solar alternative energy
30 credits for no more than 15 years beginning on June 1, 2023.

1 Upon expiration of the 15-year period specified under this
2 paragraph, the community solar facility shall be eligible for
3 alternative energy credits provided for Tier I alternative
4 energy sources under paragraph (1).

5 (8) Beginning in the 18th reporting year commencing on
6 June 1, 2023, the minimum percentage of the electric energy
7 sold by an electric distribution company or electric
8 generation supplier to retail electric customers in this
9 Commonwealth that must be sold from solar photovoltaic
10 technologies from non-customer-generators and noncommunity
11 solar facilities is:

12 (i) 1.50% for June 1, 2023, through May 31, 2024.

13 (ii) 1.98% for June 1, 2024, through May 31, 2025.

14 (iii) 2.62% for June 1, 2025, through May 31, 2026.

15 (iv) 3.42% for June 1, 2026, through May 31, 2027.

16 (v) 4.27% for June 1, 2027, through May 31, 2028.

17 (vi) 5.27% for June 1, 2028, through May 31, 2029.

18 (vii) 6.49% for June 1, 2029, through May 31, 2030.

19 (viii) 8.00% for June 1, 2030, through May 31, 2031.

20 (9) No later than one year after the effective date of
21 this paragraph, the commission shall establish regulations to
22 ensure diversification across all customer-generators under
23 paragraph (3), including solar photovoltaic systems that are
24 interconnected at residential or commercial locations or
25 customer-generators whose systems are for virtual meter
26 aggregation.

27 (10) This subsection shall not apply to
28 the certification of a solar photovoltaic energy system with
29 a contract for the sale and purchase of alternative energy
30 credits derived from solar photovoltaic energy sources

1 entered into before or on May 31, 2023, if the system meets
2 the requirements under section 3.1.

3 (11) This subsection shall apply to a contract for the
4 sale and purchase of alternative energy credits derived from
5 solar photovoltaic energy sources entered into or renewed for
6 reporting years commencing after May 31, 2023.

7 * * *

8 (f) Alternative compliance payment.--

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

13 (2) The commission shall conduct a review of each
14 determination made under subsections (b), (b.1) and (c). If,
15 after notice and hearing, the commission determines that an
16 electric distribution company or electric generation supplier
17 has failed to comply with subsections (b), (b.1) and (c), the
18 commission shall impose an alternative compliance payment on
19 that electric distribution company or electric generation
20 supplier.

21 (3) [The] Through May 31, 2023, the alternative
22 compliance payment, with the exception of the solar
23 photovoltaic share compliance requirement set forth in
24 subsection (b) (2), shall be \$45 times the number of
25 additional alternative energy credits needed in order to
26 comply with subsection (b) or (c).

27 (4) [The] Through May 31, 2023, the alternative
28 compliance payment for the solar photovoltaic share required
29 under subsection (b) (2) shall be 200% of the average market
30 value of solar [renewable] alternative energy credits sold

1 during the reporting period within the service region of the
2 regional transmission organization, including, where
3 applicable, the levelized up-front rebates received by
4 sellers of solar [renewable] alternative energy credits in
5 other jurisdictions in the PJM Interconnection, L.L.C.
6 transmission organization (PJM) or its successor.

7 (4.1) Beginning June 1, 2023, the alternative compliance
8 payment, with the exceptions of the customer-generator solar
9 photovoltaic share compliance requirement specified under
10 subsection (b.1)(3) and the community solar facilities share
11 compliance requirement specified under subsection (b.1)(6),
12 shall be \$45 multiplied by the number of additional
13 alternative energy credits needed in order to comply with
14 subsection (b.1) or (c).

15 (4.2) Beginning June 1, 2023, the alternative compliance
16 payment for the customer-generator solar photovoltaic share
17 compliance requirement specified under subsection (b.1)(3)
18 shall be \$100 multiplied by the number of additional
19 alternative energy credits needed in order to comply with
20 subsection (b.1).

21 (4.3) Beginning with the reporting year commencing on
22 June 1, 2032, and each reporting year thereafter, the
23 alternative compliance payment required for solar
24 photovoltaic energy systems under subsection (b.1)(3) shall
25 decrease by \$5 from the previous reporting year until the
26 alternative compliance payment is \$45.

27 (4.4) Beginning June 1, 2023, the alternative compliance
28 payment for the community solar facilities share compliance
29 requirement specified under subsection (b.1)(6) shall be \$70
30 multiplied by the number of additional alternative energy

1 credits needed in order to comply with subsection (b.1).

2 (4.5) Beginning with the reporting year commencing on
3 June 1, 2032, and each reporting year thereafter, the
4 alternative compliance payment required for solar
5 photovoltaic energy systems under subsection (b.1)(6) shall
6 decrease by \$5 from the previous reporting year until the
7 alternative compliance payment is \$25.

8 * * *

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

11 * * *

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

14 (i) Projects that will increase the amount of
15 electric energy generated from alternative energy
16 resources for purposes of compliance with subsections (b)
17 and [(c)] (b.1).

18 (ii) Workforce development programs to train workers
19 in alternative energy industries.

20 * * *

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

22 Section 3.1. Solar photovoltaic technology requirements.

23 (a) System requirements.--Notwithstanding the provisions
24 section 4, in order to qualify as an alternative energy source
25 eligible to meet the solar photovoltaic share of the compliance
26 requirements under section 3, a solar photovoltaic system shall
27 any of the following:

28 (1) Directly deliver the electricity that the solar
29 photovoltaic system generates to a retail customer of an
30 electric distribution company or to the distribution system

1 operated by an electric distribution company operating in
2 this Commonwealth and currently obligated to meet the
3 compliance requirements specified under section 3.

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

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

10 (b) Construction.--

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

13 (i) A certification originating in this Commonwealth
14 and granted before the effective date of this section of
15 a solar photovoltaic energy generator as a qualifying
16 alternative energy source eligible to meet the solar
17 photovoltaic share of this Commonwealth's alternative
18 energy portfolio compliance requirements under section 3.

19 (ii) A certification of a solar photovoltaic system
20 with a binding written contract for the sale and purchase
21 of alternative energy credits derived from solar
22 photovoltaic energy sources entered into before October
23 30, 2017.

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

26 Section 3.2. Community solar program standards.

27 (a) Community solar facilities, electric distribution
28 companies and subscriber administrators.--

29 (1) A community solar facility may be developed, built,
30 owned or operated by a third party under contract with a

1 community solar organization or subscriber administrator.

2 (2) A community solar organization may serve as a
3 subscriber administrator or may contract with a third party
4 to serve as a subscriber administrator on behalf of the
5 community solar organization.

6 (3) A subscriber to a community solar facility shall
7 receive a monetary community solar bill credit for every
8 kilowatt hour produced by the subscriber's subscription,
9 which may be used to offset any part of the subscriber's
10 electric bill. The following shall apply:

11 (i) Subscription costs for a subscriber may not
12 exceed the value of the community solar bill credit and
13 may not include upfront or sign-on fees. Subscription
14 costs shall be nonbasic utility charges.

15 (ii) The terms and conditions of receiving the
16 community solar bill credit may not limit or inhibit
17 participation of a subscriber from any rate class.

18 (4) An electric distribution company shall allow for the
19 transferability and portability of subscriptions, including
20 allowing a subscriber to retain a subscription to a community
21 solar facility if the subscriber relocates within the same
22 electric distribution company territory.

23 (5) A subscriber administrator shall be allowed to
24 update the administrator's list of subscribers and the
25 subscribers' relevant information in a standardized
26 electronic format approved by the commission on at least a
27 monthly basis.

28 (b) Customer protections.--

29 (1) A community solar organization or subscriber
30 administrator shall be subject to the customer protection

1 provisions under 66 Pa.C.S. Chs. 14 (relating to responsible
2 utility customer protection) and 15 (relating to service and
3 facilities) and 52 Pa. Code Ch. 56 (relating to standards and
4 billing practices for residential public utility service).
5 The commission shall promulgate regulations that provide for
6 the protection of customers who have subscriptions with a
7 community solar organization or subscriber administrator.

8 (2) The commission shall develop a standardized customer
9 disclosure form that identifies key information required to
10 be provided by a subscriber administrator to a potential
11 subscriber, including the future costs and benefits of a
12 subscription and a subscriber's rights and obligations
13 pertaining to the subscription.

14 (c) Classification.--A community solar organization,
15 subscriber or third party owning or operating a community solar
16 facility shall not be considered an electric distribution
17 company or an electric generation provider solely as a result of
18 involvement with a community solar facility.

19 (d) Duties of electric distribution companies.--

20 (1) On a monthly basis, an electric distribution company
21 shall provide to a community solar organization and
22 subscriber administrator a report in a standardized
23 electronic format indicating the total value of the community
24 solar bill credit generated by the community solar facility
25 in the prior month, the calculation used to arrive at the
26 value and the amount of the community solar bill credit
27 applied to each subscriber.

28 (2) An electric distribution company shall provide a
29 community solar bill credit to a subscriber's next monthly
30 electric bill for the proportional output of a community

1 solar facility attributable to the subscriber. Excess credits
2 on a subscriber's bill shall roll over from month to month
3 indefinitely. Excess credits shall be automatically applied
4 to the final electric bill when a subscription is terminated
5 for any cause.

6 (3) If requested by a community solar organization, an
7 electric distribution company shall enter into a net
8 crediting agreement with the community solar organization to
9 include a subscriber's subscription fee on the monthly bill
10 and provide the customer with a net credit equivalent to the
11 total community solar bill credit value for that generation
12 period minus the subscription fee if the subscription fee is
13 structured as a fixed percentage of the community solar bill
14 credit value. The net crediting agreement shall specify the
15 payment terms from the electric distribution company to the
16 community solar organization. The electric distribution
17 company may charge a net crediting fee to the community solar
18 organization that may not exceed 1% of the community solar
19 bill credit value. The electric distribution company shall
20 remain responsible for billing all basic electric services,
21 including transmission, distribution and generation charges,
22 in accordance with 66 Pa.C.S. (relating to public utilities)
23 and the commission's regulations. The electric distribution
24 company shall also maintain, at a minimum, the customer
25 services existing prior to implementation of the community
26 solar organization in accordance with 66 Pa.C.S. and the
27 commission's regulations.

28 (4) An electric distribution company may not charge a
29 community solar facility, community solar organization or
30 subscriber to a community solar facility a fee or other type

1 of charge unless the fee or charge would apply to any other
2 customer that is not a community solar facility, community
3 solar organization or subscriber to a community solar
4 facility. The electric distribution company may not require
5 additional equipment or insurance or impose any other
6 requirement unless the additional equipment, insurance or
7 other requirement is specifically authorized by order of the
8 commission.

9 (e) Electric distribution company cost recovery and
10 compensation.--

11 (1) A community solar organization shall compensate an
12 electric distribution company for the electric distribution
13 company's reasonable costs of interconnection of a community
14 solar facility.

15 (2) An electric distribution company shall be entitled
16 to recover reasonable costs, subject to approval by the
17 commission, to administer a community solar program within
18 the electric distribution company's service territory.

19 (3) An electric distribution company shall, subject to
20 approval by the commission, be entitled to recover any
21 additional costs from the community solar bill credits under
22 subsection (a)(3) after using the energy, capacity and
23 avoided distribution and transmission value provided by a
24 community solar facility to offset the purchase requirements
25 in the PJM Interconnection, L.L.C. regional transmission
26 organization (PJM) or its successor.

27 (f) Interconnection standards for community solar
28 facilities.--

29 (1) Upon the effective date of this subsection, the
30 following shall apply:

1 (i) An electric distribution company shall
2 immediately accept interconnection applications from
3 community solar facilities and study the impact of
4 interconnecting the community solar facilities to the
5 grid using the current commission-approved
6 interconnection rules and tariffs and in accordance with
7 best practices.

8 (ii) An interconnection application for a community
9 solar facility shall include proof of site control for
10 the purpose of the study under subparagraph (i).

11 (2) No later 90 days from the effective date of this
12 paragraph, the commission shall establish an interconnection
13 working group between electric distribution companies and
14 stakeholders with oversight from commission staff. The
15 interconnection working group shall review, edit, create or
16 eliminate any policies, processes, tariffs, rules or
17 standards relating to the interconnection of community solar
18 facilities with the goal of transparency, accuracy and
19 efficiency to implement the purposes of this section. No
20 later than 240 days from the effective date of this
21 paragraph, the interconnection working group shall submit a
22 report to the commission with recommended changes. The
23 commission shall promulgate regulations necessary to
24 implement the recommended changes.

25 (3) The commission may impose an administrative fee on
26 an initial interconnection application for a community solar
27 facility. The commission may use up to 5% of the money
28 generated from the administrative fee for administrative
29 expenses directly associated with this section.

30 (g) Customer participation in programs.--

1 (1) No later than 365 days after the effective date of
2 this paragraph, the commission shall establish regulations to
3 enable participation in community solar programs by each
4 customer class and economic group. The commission may
5 establish the regulations through a special rules process if
6 necessary to meet the requirements under this section. The
7 regulations shall meet all of the following criteria:

8 (i) Be based on consideration of formal and informal
9 input from all stakeholders.

10 (ii) Establish requirements that ensure access to
11 community solar programs and equitable opportunities for
12 participation for residential and small commercial
13 customer classes.

14 (2) The commission, in collaboration with the Office of
15 Consumer Advocate, electric distribution companies, community
16 solar organizations and low-income stakeholders may, by
17 regulation, adopt mechanisms to ensure participation in
18 community solar programs by low-income customers.

19 (3) No later than five years after the effective date of
20 this paragraph, the commission shall submit a report to the
21 General Assembly detailing the participation in community
22 solar programs by each customer class and economic group,
23 including the participation by low-income customers.

24 Section 3.3. Contracts for solar photovoltaic technologies by
25 Commonwealth agencies.

26 (a) Public works.--Except as provided under subsection (b),
27 a Commonwealth agency shall require that a contract for the
28 construction, reconstruction, alteration, repair, improvement or
29 maintenance of public works contain a provision that, if any
30 solar photovoltaic technologies are to be used or supplied in

1 the performance of the contract, only solar photovoltaic
2 technologies manufactured in the United States shall be used or
3 supplied in the performance of the contract or any subcontracts
4 under the contract.

5 (b) Exception.--The requirement under subsection (a) shall
6 not apply if the head of the Commonwealth agency, in writing,
7 determines that the solar photovoltaic technologies are not
8 manufactured in the United States in sufficient quantities to
9 meet the requirements of the contract.

10 (c) Required wages and employee benefits.--No less than the
11 prevailing minimum wages and employee benefits applicable to a
12 public works project under of the act of August 15, 1961
13 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage
14 Act, shall be paid to each workman employed on an eligible
15 project.

16 (d) Definitions.--As used in this section, the terms "public
17 work" and "workman" shall be as defined in section 2(5) and (7)
18 of the 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 in 60 days.