
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1842 Session of
2023

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CIRESI, NEILSON, GREEN, MEHAFFIE, TOMLINSON, RYNCAVAGE,
KAUFER AND ADAMS, NOVEMBER 13, 2023

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND
UTILITIES, NOVEMBER 13, 2023

AN ACT

1 Providing for community solar facilities; imposing duties on the
2 Pennsylvania Public Utility Commission, electric distribution
3 companies and subscriber organizations; and providing for
4 prevailing wage for construction of community solar
5 facilities.

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11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Short title.

14 This act shall be known and may be cited as the Community
15 Solar Act.

16 Section 2. Findings and declarations.

17 The General Assembly finds and declares as follows:

18 (1) Growth in solar generation will provide family-
19 sustaining jobs and investments in this Commonwealth.

20 (2) Programs for community solar generation provide
21 customers with additional energy choices and access to
22 affordable energy options.

23 (3) Community solar programs provide customers,
24 including homeowners, renters and businesses, access to the
25 benefits of Pennsylvania community solar energy generation
26 that is unconstrained by the physical attributes of their
27 home or business, including roof space, shading or ownership
28 status.

29 (4) In addition to its provision of standard electricity
30 market commodities and services, local solar energy

1 generation can contribute to a more resilient grid and defer
2 the need for costly new transmission and distribution system
3 investment.

4 (5) The intent of this act is to:

5 (i) Allow electric distribution customers of this
6 Commonwealth to subscribe to a portion of a community
7 solar facility and have the result of the subscription be
8 guaranteed savings.

9 (ii) Reasonably allow for the creation, financing,
10 accessibility and operation of third-party-owned
11 community solar generating facilities and enable robust
12 customer participation.

13 (iii) Encourage the development of community solar
14 programs that will facilitate participation by and for
15 accessibility and operation of third-party-owned
16 community solar generating facilities and enable robust
17 customer participation.

18 (iv) Encourage the development of community solar
19 programs that will facilitate participation by and for
20 the benefit of low-income and moderate-income customers
21 and the communities where they live, reduce barriers to
22 participation by renters and small businesses, promote
23 affordability and improve access to basic public utility
24 services.

25 Section 3. Definitions.

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

29 "Bill credit." The commission-approved monetary value of
30 each kilowatt hour of electricity generated by a community solar

1 facility and allocated to a subscriber's monthly bill to offset
2 any part of the subscriber's retail electric bill other than
3 volumetric or demand-based distribution charges.

4 "Brownfield or rooftop community solar facility." A
5 community solar facility that is primarily located on rooftops
6 or land that is regulated by the department under the following
7 programs:

8 (1) The Land Recycling Program.

9 (2) The Solid Waste Program.

10 (3) The Abandoned Mine Reclamation Program.

11 "Commission." The Pennsylvania Public Utility Commission.

12 "Community solar facility." A facility that meets all of the
13 following criteria:

14 (1) Is located within this Commonwealth.

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

19 (3) Generates electricity by means of a solar
20 photovoltaic device with a nameplate capacity rating that
21 does not exceed:

22 (i) 5,000 kilowatts of alternating current for a
23 facility that is not a brownfield or rooftop community
24 solar facility; and

25 (ii) 20,000 kilowatts of alternating current for a
26 facility that is not a brownfield or rooftop community
27 solar facility.

28 (4) Has no single subscriber who subscribes to more than
29 50% of the facility capacity in kilowatts or output in
30 kilowatt hours, except for a master-metered multifamily

1 residential and commercial building.

2 (5) No less than 50% of the facility capacity is
3 subscribed by subscriptions of 25 kilowatts or less.

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

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

8 (8) Is owned or operated by a community solar
9 organization.

10 "Community solar organization." As follows:

11 (1) An entity that owns or operates a community solar
12 facility and is not required to:

13 (i) be an existing retail electric customer;

14 (ii) purchase electricity directly from the electric
15 distribution company;

16 (iii) serve electric load independent of the
17 community solar facility; or

18 (iv) operate under an account held by the same
19 individual or legal entity of the subscribers to the
20 community solar facility.

21 (2) For the purpose of this definition, a community
22 solar organization shall not be deemed a public utility
23 solely as a result of the organization's ownership or
24 operation of a community solar facility.

25 "Decommissioning plan." A document on file with a county
26 recorder of deeds detailing the measures that will be taken to
27 decommission a community solar facility and the amount, form and
28 timing of financial assurance.

29 "Department." The Department of Environmental Protection of
30 the Commonwealth.

1 "Electric distribution company." As defined in 66 Pa.C.S. §
2 2803 (relating to definitions).

3 "Electric distribution customer." A customer that takes
4 electric distribution service from an electric distribution
5 company, regardless of whether the company is the customer's
6 supplier of electric generation or not.

7 "Guaranteed savings." Realized savings as the difference
8 between the cost of a subscription to a community solar facility
9 and the credit received for the generation attributed to the
10 subscription.

11 "Initial and replacement subscribers." Each subscriber to a
12 single community solar facility over the life of the facility.

13 "Pennsylvania Prevailing Wage Act." The act of August 15,
14 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing
15 Wage Act.

16 "Public utility." As defined in 66 Pa.C.S. § 102 (relating
17 to definitions).

18 "Subscriber." An electric distribution customer of an
19 electric distribution company who contracts for a subscription
20 of a community solar facility interconnected with the customer's
21 electric distribution company. The term includes an electric
22 distribution customer who owns a portion of a community solar
23 facility.

24 "Subscriber administrator." An entity that recruits and
25 enrolls a subscriber, administers subscriber participation in a
26 community solar facility and manages the subscription
27 relationship between subscribers and an electric distribution
28 company. The term includes a community solar organization. For
29 the purpose of this definition, a subscriber administrator shall
30 not be considered a public utility solely as a result of the

1 subscriber administrator's operation or ownership of a community
2 solar facility.

3 "Subscription." A contract between a subscriber and a
4 subscriber administrator of a community solar facility that
5 entitles the subscriber to a bill credit, measured in kilowatt
6 hours, and applied against the subscriber's retail electric
7 bill.

8 "Unsubscribed energy." The output of a community solar
9 facility, measured in kilowatt hours, that is not allocated to
10 subscribers.

11 Section 4. Authorization to own or operate community solar
12 facilities.

13 A community solar organization or subscriber administrator
14 may develop, build, own or operate a community solar facility. A
15 community solar organization may serve as a subscriber
16 administrator or may contract with a third party to serve as a
17 subscriber administrator on behalf of the community solar
18 organization. Renewable energy credits that are associated with
19 the generation of electricity by a community solar facility
20 shall be the property of the community solar organization and
21 may be retired or transferred by the community solar
22 organization or retired on behalf of the subscribers.

23 Section 5. Bill credit for subscribers to community solar
24 facilities.

25 (a) Credit.--A subscriber to a community solar facility
26 shall receive a monetary bill credit for every kilowatt hour
27 produced by the subscriber's subscription. A community solar
28 facility that demonstrates all of the following to the
29 commission shall have the initial and replacement subscribers of
30 the community solar facility receive a bill credit from the date

1 the community solar facility is authorized by the commission to
2 operate:

3 (1) An executed interconnection agreement with an
4 electric distribution company obtained in accordance with 52
5 Pa. Code Ch. 75 (relating to alternative energy portfolio
6 standards).

7 (2) Proof of site control.

8 (3) The required nonministerial permits.

9 (4) Proof that the community solar facility will be at
10 least 75% subscribed on the date the community solar facility
11 receives permission to operate.

12 (5) A signed agreement for a commission-approved
13 workforce development requirement.

14 (6) Proof that the community solar facility is
15 constructed or, if not yet constructed, an attestation that
16 the community solar facility will be in compliance with
17 section 14.

18 (b) Establishment of credit.--Within 180 days of the
19 effective date of this subsection, the commission shall
20 establish a bill credit for a public utility that appropriately
21 values the energy, capacity and transmission values produced by
22 a community solar facility and is not less than the bill credit
23 established under 52 Pa. Code § 75.13(e) (relating to general
24 provisions). The terms and conditions of receiving the bill
25 credit may not limit or inhibit participation of subscribers
26 from any rate class.

27 Section 6. Protection for customers.

28 (a) Customer protection provisions.--A community solar
29 organization or subscriber administrator shall be subject to the
30 customer protection provisions under 66 Pa.C.S. Chs. 14

1 (relating to responsible utility customer protection) and 15
2 (relating to service and facilities) and 52 Pa. Code Ch. 56
3 (relating to standards and billing practices for residential
4 public utility service). The commission shall promulgate
5 regulations providing for the protection of a residential
6 customer who has a subscription with a community solar
7 organization or subscriber administrator.

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

15 (c) Subscription costs.--The subscription costs for a
16 subscriber may not exceed the value of the bill credit and may
17 not include any upfront or sign-on fees or credit checks. The
18 subscription costs shall be nonbasic public utility charges.
19 Failure to pay a subscription may result in the loss of a
20 subscription but shall not impact public utility services.

21 (d) Benefits and costs.--The commission shall maximize
22 benefits and minimize costs to each rate class, notwithstanding
23 participation in a community solar program.

24 Section 7. Duties of electric distribution companies.

25 (a) Report on bill credit.--On a monthly basis, an electric
26 distribution company shall provide to a community solar
27 organization or subscriber administrator a report in a
28 standardized electronic format indicating the total value of the
29 bill credit generated by the community solar facility in the
30 prior month, the calculation used to arrive at the total value

1 of the bill credit and the amount of the bill credit applied to
2 each subscriber.

3 (b) Application of bill credit.--An electric distribution
4 company shall apply a bill credit to a subscriber's next monthly
5 electric bill for the proportional output of a community solar
6 facility attributable to the subscriber. Excess credits on a
7 subscriber's bill shall roll over from month to month. An
8 electric distribution company shall automatically apply excess
9 credits to the final electric bill when a subscription is
10 terminated for any cause.

11 (c) Transferability.--An electric distribution company shall
12 permit the transferability and portability of subscriptions if a
13 subscriber relocates within the same electric distribution
14 company territory.

15 Section 8. Compensation and cost recovery for electric
16 distribution companies.

17 (a) Compensation.--A community solar organization shall
18 compensate an electric distribution company for the electric
19 distribution company's reasonable costs of interconnection of a
20 community solar facility.

21 (b) Cost recovery.--An electric distribution company may
22 recover reasonable costs from each subscriber, subject to
23 approval by the commission, to administer a community solar
24 program within the electric distribution company's service
25 territory of a community solar facility. The Commonwealth shall
26 maximize Federal and State funds for energy assistance, clean
27 energy deployment or any other applicable funding to minimize
28 the cost recovery impact on each subscriber.

29 Section 9. Interconnection standards for community solar
30 facilities.

1 (a) Applications.--Beginning on the effective date of this
2 subsection, an electric distribution company shall have the
3 following duties:

4 (1) Accept interconnection applications for community
5 solar facilities on a nondiscriminatory basis and study the
6 impact of interconnecting the facilities to the grid using
7 the current commission-approved interconnection rules and
8 tariffs and in accordance with best practices.

9 (2) Include, in an interconnection application for
10 community solar facilities, proof of site control for the
11 purposes of the study under paragraph (1).

12 (b) Interconnection working group.--Within 90 days of the
13 effective date of this subsection, the commission shall
14 establish an interconnection working group between electric
15 distribution companies and stakeholders with oversight from
16 commission staff. The interconnection working group shall review
17 and recommend changes to policies, processes, tariffs, rules or
18 standards associated with the interconnection of community solar
19 facilities with the goal of transparency, accuracy and
20 efficiency to support the purposes of this act. The
21 interconnection working group shall submit a report to the
22 commission of the recommended changes within 270 days of the
23 effective date of this subsection. Based on the recommended
24 changes in the report, the commission shall adopt the changes in
25 the State jurisdictional interconnection rules as the commission
26 deems necessary or appropriate.

27 (c) Administrative fees.--The commission may impose an
28 administrative fee on an initial interconnection application for
29 community solar facilities under subsection (a). The commission
30 may impose a fee equivalent to up to 5% of the electric

1 distribution company's initial interconnection application fee.
2 The commission may use fees collected under this subsection for
3 the administrative costs directly associated with this act.

4 Section 10. Unsubscribed energy.

5 An electric distribution company shall purchase bill credits
6 from a community solar facility at the electric distribution
7 company's wholesale energy cost as approved by the commission.
8 To offset real or perceived costs, an electric distribution
9 company shall sell unsubscribed energy to PJM Interconnection,
10 L.L.C., regional transmission organization (PJM) or its
11 successor service territory markets or otherwise decrease energy
12 purchases.

13 Section 11. Customer participation in community solar programs.

14 (a) Participation in programs.--No later than one year after
15 the effective date of this subsection, the commission shall
16 promulgate regulations to enable participation in community
17 solar programs by each customer class and economic group.

18 (b) Temporary regulations.--In order to facilitate the
19 prompt implementation of this section, the commission and
20 department may promulgate temporary regulations. The temporary
21 regulations shall expire no later than two years following the
22 date of publication of the temporary regulations in the
23 Pennsylvania Bulletin. The temporary regulations shall not be
24 subject to any of the following:

25 (1) Section 612 of the act of April 9, 1929 (P.L.177,
26 No.175), known as The Administrative Code of 1929.

27 (2) Sections 201, 202, 203, 204 and 205 of the act of
28 July 31, 1968 (P.L.769, No.240), referred to as the
29 Commonwealth Documents Law.

30 (3) Sections 204(b) and 301(10) of the act of October

1 15, 1980 (P.L.950, No.164), known as the Commonwealth
2 Attorneys Act.

3 (4) The act of June 25, 1982 (P.L.633, No.181), known as
4 the Regulatory Review Act.

5 (c) Expiration.--The authority of the commission and
6 department to promulgate temporary regulations under subsection
7 (b) shall expire six months after the effective date of this
8 subsection. Regulations promulgated by the commission and
9 department after six months from the effective date of this
10 subsection shall be promulgated as provided by law.

11 (d) Contents.--The temporary regulations under subsection
12 (b) shall meet all of the following criteria:

13 (1) Be based on consideration of formal and informal
14 input from all stakeholders.

15 (2) Establish requirements that ensure access to
16 programs and equitable opportunities for participation for
17 residential and small commercial customer classes.

18 (3) Establish a registration process for community solar
19 organizations.

20 (4) Address the reasonable enforcement of minimum
21 subscription requirements for a community solar facility.

22 (e) Low-income customers.--The commission, in collaboration
23 with the Office of Consumer Advocate, electric distribution
24 companies, community solar organizations and low-income
25 stakeholders, may promulgate regulations adopting mechanisms to
26 increase participation by low-income customers in community
27 solar programs. The commission shall increase participation by
28 low-income customers in community solar programs in a manner
29 that allows the commission to use available Federal funds to do
30 all of the following:

1 (1) Deliver larger guaranteed savings to income
2 qualified households than those households that would receive
3 guaranteed savings without the Federal funds.

4 (2) Maximize State energy assistance programs.

5 Section 12. Location of multiple community solar facilities.

6 The commission shall promulgate regulations establishing
7 limitations on the location of multiple community solar
8 facilities in close proximity. The regulations shall meet all of
9 the following criteria:

10 (1) Prohibit an entity or affiliated entity under common
11 control from developing, owning or operating more than one
12 community solar facility on the same parcel or contiguous
13 parcels of land.

14 (2) Authorize a brownfield or rooftop community solar
15 facility to be sited on contiguous parcels if the total
16 brownfield or rooftop community solar facility capacity on
17 all contiguous parcels does not exceed the limits established
18 by the commission.

19 Section 13. Decommissioning, recycling and photovoltaic panel
20 removal requirements.

21 A subscriber organization shall have the duty of
22 decommissioning a community solar facility, including the
23 removal, potential reuse and recycling of panels and the
24 remediation of the site at the end of the useful life of the
25 facility, and to file a decommissioning plan with the county
26 recorder of deeds.

27 Section 14. Prevailing wage for construction of community solar
28 facilities.

29 (a) Prevailing wage.--A community solar facility for which a
30 bill credit is sought and awarded to a subscriber under this act

1 shall be deemed to meet each of the minimum requirements
2 necessary to apply the wage and benefit rates and related
3 certification of payroll records required under the
4 Pennsylvania Prevailing Wage Act. A community solar organization
5 and each of the organization's agents, contractors and
6 subcontractors shall comply with the Pennsylvania Prevailing
7 Wage Act as attested under section 5 for work undertaken at the
8 community solar facility in which a bill credit for a subscriber
9 is sought and awarded.

10 (b) Violations.--The Department of Labor and Industry shall
11 enforce this section and apply the same administration and
12 enforcement applicable under the requirements of the
13 Pennsylvania Prevailing Wage Act to ensure compliance. In
14 addition to enforcement authorized under the Pennsylvania
15 Prevailing Wage Act, if the Department of Labor and Industry
16 determines that the community solar organization intentionally
17 failed to pay prevailing wage rates or benefit rates in
18 violation of section 11(h) of the Pennsylvania Prevailing Wage
19 Act for work specified under subsection (a), the community solar
20 organization or the organization's agents, contractors and
21 subcontractors shall pay a fine equivalent to 10% of the value
22 of the bill credit multiplied by the estimated 25-year
23 production of the community solar facility.

24 Section 15. Effective date.

25 This act shall take effect in 60 days.