



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1842

PRINTER'S NO. 2789

PRIME SPONSOR: Schweyer

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

Provides for community solar facilities and imposes duties on the Pennsylvania Public Utility Commission, electric distribution companies, and subscriber organizations. Additionally, the Department of Labor and Industry is required to enforce labor provisions of the legislation.

ANALYSIS:

House Bill 1842, Printer's Number 2789, allows for community solar organizations or subscriber administrators to develop, build, own, or operate community solar facilities. Community solar facilities are defined as solar photovoltaic generation facilities with a maximum nameplate capacity of 5 MW (or 20 MW if located on a designated brownfield site) that is interconnected with one of Pennsylvania's electric distribution companies (EDCs). Community solar facilities must have multiple subscribers using their electric output, with no customer consuming more than 50% of the total generation and at least 50% of the generation consumed by small customers with subscriptions of 25 kilowatts or less. Subscribers will receive credits for their subscribed share of the output of the facility, which will be counted against their electric consumption from their EDC.

Community solar facilities may be managed by subscriber administrators or by community solar organizations. In either case the administrator or organization will retain any renewable energy credits associated with the facility.

Subscribers to a community solar facility will receive monetary bill credits for each kilowatt of electricity produced by their subscription. An administrator must demonstrate that it has an executed interconnection agreement, that it controls the site for the facility and has all required permits, that at least 50% of the output of the facility will be prescribed when it begins operations, and that it has a workforce development plan approved by the Public Utility Commission (PUC) and has complied with prevailing wage and other applicable labor regulations.

Bill credits earned by subscribers will be established by the PUC and value the energy, capacity, and transmission value associated with the output of the facility. EDC customers from any rate class will be eligible to subscribe with a community solar facility. Subscribers may be billed certain fees by an administrator, but no such fees may be required as upfront payments. Administrators may also bill subscribers for universal service or energy efficiency charges owed to the EDC.

EDCs must make monthly statements or reports indicating the total bill credits generated by a facility in the prior month and any calculations used to ascertain that monetary value. EDCs may charge reasonable interconnection costs to a community solar facility. The PUC may also charge a reasonable administrative fee of up to 5% of the interconnection fee to review applications for interconnection from community solar facilities. EDCs may also recover reasonable costs from each subscriber organization related to the community solar facilities operations in the EDC service territory.

EDCs are required to purchase any unsubscribed energy generated by a community solar facility at the price of wholesale energy as determined by the PUC.

The PUC is tasked with promulgating regulations to effectuate this act, including regulations to increase subscriptions among low-income customers.

As amended by A03697, the legislation further imposes labor requirements on contractors, subcontractors, or workers performing construction and related work on solar energy projects and provides for enforcement by the Department of Labor and Industry. Such requirements include compliance with:

- Workers’ Compensation Act and Unemployment Compensation Law
- Completion of Occupational Safety and Health Administration training
- A contractor/subcontractor or worker has to demonstrate that they have not been debarred or convicted of violations of the law

FISCAL IMPACT: In order to determine the fiscal impact of the legislation, we have to consider the impact on both the Pennsylvania Public Utilities Commission (PUC) and the Department of Labor and Industry (DLI).

Specifically related to the PUC, the legislation tasks the Commission with establishing a monetary value of each kilowatt hour of electricity generated by a community solar facility. This value would be applied as a credit to offset any part of the subscriber’s retail electric bill, other than the volumetric or demand-based distribution charges. In order to establish this, the PUC would have to establish guidelines and processes for establishing such monetary value. Based on feedback from the Commission, the PUC may need to adjust its workforce in order to accomplish its duties as provided by the legislation, however such costs could be offset by PUC’s ability to charge an administrative fee, of up to 5 percent of interconnection application fee. In the case that additional personnel may be needed, such personnel would fall into one of two categories, Legal and/or Administrative. The following table provides an overview of potential costs associated with hiring personnel within those categories.

Sample Legal/Administrative Position Costs w/n PUC				
Type	Position	BiWkly Sal	Benefits*	Annual Cost
Legal	Puc Asst Cnsl 2	\$ 2,544.00	\$ 1,593.31	\$ 107,569.99
	Puc Asst Cnsl 3 Non-Spvy	\$ 3,539.25	\$ 2,216.63	\$ 149,652.94
	Atty 3 Nn Spvy PUC	\$ 5,040.75	\$ 3,157.02	\$ 213,142.06
	Atty 4 Spvy PUC	\$ 4,516.50	\$ 2,828.68	\$ 190,974.78
	Atty 1 PUC	\$ 2,546.25	\$ 1,594.72	\$ 107,665.13
	Atty 2 PUC	\$ 3,243.00	\$ 2,031.09	\$ 137,126.36
	Atty 5 PUC	\$ 4,321.50	\$ 2,706.56	\$ 182,729.44
Administrative	Lgl Asst 1	\$ 1,591.50	\$ 996.76	\$ 67,294.67
	Lgl Asst 2	\$ 1,687.50	\$ 1,056.88	\$ 71,353.91
	Cler Asst 3	\$ 1,832.25	\$ 1,147.54	\$ 77,474.49
	Cler Asst 3	\$ 1,758.75	\$ 1,101.51	\$ 74,366.63

* Benefits calculation assumes a benefit rate of 62.63 percent, which represents an average benefit rate

As it relates to the Department of Labor and Industry, DLI is already tasked with enforcing labor laws. The agency, however, may need additional staff to enforce the provisions set forth in the legislation. With limited ability to forecast how many community solar projects may be subject to such enforcement, the fiscal impact specific to the agency, is indeterminate at this time.

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 House Appropriations Committee (D)

DATE: March 26, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.