

June 24, 2024

The Honorable Greg Vitali
Chair
House Environmental Resources & Energy
30 East Wing
P.O. Box 202166
Harrisburg, PA 17120

The Honorable Martin T. Causer
Republican Chair
House Environmental Resources & Energy
47 East Wing
P.O. Box 202067
Harrisburg, PA 17120

RE: House Bill 2277 – Pennsylvania Reliable Energy Sustainability Standard (PRESS)

Dear Chairmen,

I am writing on behalf of the Solar Energy Industries Association (“SEIA”) outlining our feedback on House Bill 2277, as currently drafted. This legislation was referred to the House Environmental Resources and Energy Committee on May 8, for consideration.

Founded in 1974, SEIA is the national trade association for the solar and storage industries, building a comprehensive vision for the advancement of these technologies. SEIA is leading the transformation to a clean energy economy by supporting policy measures that will drive needed investment in clean, domestic, local job-producing solar generation. We work with our 1,200+ member companies, which include solar manufacturers, service providers, residential, community and utility-scale solar developers, installers, construction firms, and investment firms, as well as other strategic partners, to shape fair market rules that promote competition and the growth of reliable, low-cost solar power. SEIA has more than 30 member companies located in Pennsylvania with many more national firms also conducting business in the state.

[House Bill 2277](#) (Otten-D) – Governor Shapiro’s Pennsylvania Reliable Energy Sustainability Standard (“PRESS Act”) is a bold proposal to diversify Pennsylvania’s electricity generation mix. Broadly, this legislation would:

- Increase Pennsylvania’s Tier 1 alternative energy goal from 8% to 35% by 2035;¹
- Retire the existing solar and other resource-specific carveouts from Pennsylvania’s energy procurement targets;
- Require 10% of Pennsylvania’s Tier 1 alternative energy sources to be generated in-state by 2030;
- Require individual generating units with a nameplate capacity over 150 MW be located in Pennsylvania to be eligible for reliable energy credits (“REC”); and
- Establish and set a price for zero emission credits (“ZEC”) to support Pennsylvania’s nuclear facilities.

¹ Qualifying Tier 1 resources include solar photovoltaic and solar thermal energy resources, wind power, geothermal, small modular reactors, fusion energy, and fugitive emissions.

SEIA fully supports increasing Pennsylvania's statewide alternative energy targets and commends Governor Shapiro, Representative Otten, and the dozens of cosponsors of the PRESS Act, for their leadership on this important legislation. The introduction of the PRESS Act comes at a critical juncture in the need for the modernization of Pennsylvania's electric grid and generation portfolio. The needs of Pennsylvania's electric grid and the capabilities of the solar industry have evolved greatly since the existing alternative energy portfolio standard ("AEPS") legislation was first enacted in 2004.

Alternative Energy Credits

The PRESS Act does not expand the current in-state solar requirement of 0.5% that is in the original AEPS, thus allowing for any new solar and other renewable energy projects built across the PJM territory, which includes 13 states and the District of Columbia, to be certified and eligible to sell their alternative energy credits ("AECs") into the Pennsylvania's AEC marketplace. SEIA supports this environment of market flexibility within the PJM states and believes it can be balanced with policy support for renewable energy projects developed within Pennsylvania. However, SEIA is concerned that the PRESS Act's in-state requirements, as currently drafted, may have unintended consequences for PJM's regional REC market and agrees with the suggested amendments put forward by Invenergy in their written testimony to this committee.

The PRESS Act requires that 10% of the electricity generated to satisfy Tier I obligations be generated in-state by 2030, with a 1% increase each year until 2050, leading to a cumulative 30% of all electric energy in the state derived from in-state Tier I resources. Additionally, individual generating units with a nameplate capacity over 150 MW must be located within Pennsylvania to be eligible for Pennsylvania AECs. Such a policy will impact the solar industry's ability to access the tri-qualifying MD, PA, and NJ REC market for their projects and, taken with the sudden increase in the in-state generation requirements, may create a shock to the regional REC market. SEIA continues to work internally to fully examine the REC market implications of the PRESS Act, if enacted as introduced, and we look forward to working with the legislature to explore potential alternative pathways that provide greater market stability for the solar industry.

Customer Generators

Distributed generation, also referred to as "customer generator" resources in the existing AEPS, are systems that allow Pennsylvanians to generate and utilize their own electricity onsite, thus reducing their electric utility bills. Distributed generation solar, such as those placed on residential or commercial rooftops, supply the grid with the excess energy the system generates beyond what is needed by the customer. This excess electricity is sent to the power grid and distributed locally, decreasing line loss and increasing utility efficiency. Furthermore, when utility customers remove a portion of their power needs from the grid, it reduces strain on the local utility. These are but a few of the individual and system-wide benefits of expanding the number of customer generators in Pennsylvania. SEIA is thus very concerned with the PRESS Act's current lack of specific

targets or incentives for customer generators. SEIA prefers the approach taken by the existing AEPS law, as well as [Senate Bill 1040](#) (D-Boscola), which includes customer-generator procurement targets, thus ensuring Pennsylvania is able to maximize the benefits of distributed solar and meet its in-state generation requirements.

SEIA is appreciative of the opportunity to provide written testimony regarding House Bill 2277. We look forward to working with this committee and the prime sponsor to craft amendments to this legislation that produces the desired results for a solar industry eager to develop and invest within Pennsylvania. As representatives of the companies who will be making the investments in development to help Pennsylvania meet the goals under PRESS, SEIA is committed to advocating for and working with the legislature to ensure the goals of PRESS are achievable.

Sincerely,

Leah Meredith

Leah Meredith
Senior Manager, Mid-Atlantic Region
Solar Energy Industries Association (SEIA)
lmeredith@seia.org