
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1030 Session of
2004

INTRODUCED BY ERICKSON, CONTI, WAUGH, ORIE, KUKOVICH, SCHWARTZ,
PICCOLA, MUSTO, EARLL, PIPPY, C. WILLIAMS, BOSCOLA, RAFFERTY,
M. WHITE AND STACK, MARCH 15, 2004

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, MARCH 15, 2004

AN ACT

1 Providing for the sale of electric energy generated from
2 renewable and environmentally beneficial sources, for the
3 acquisition of electric energy generated from renewable and
4 environmentally beneficial sources by electric distribution
5 and supply companies and for the powers and duties of the
6 Pennsylvania Public Utility Commission; and imposing
7 penalties.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the Renewable and
12 Environmentally Beneficial Portfolio Standards Act.

13 Section 2. Definitions.

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

17 "Commission." The Pennsylvania Public Utility Commission of
18 the Commonwealth.

19 "Electric distribution company." An incorporated entity that
20 receives electric power from an electric generator and

1 distributes that power to consumers.

2 "Electric generation supplier." An incorporated entity that
3 generates and supplies electric power.

4 "Environmentally beneficial resources." Any of the
5 following:

6 (1) Electricity generated from waste coal facilities
7 which became operational after December 31, 1999.

8 (2) Electricity generated using energy conservation
9 measures, as defined by the Pennsylvania Public Utility
10 Commission, including, but not limited to, state-of-the-art
11 efficiency improvements and carbon offsets.

12 (3) Other environmentally beneficial energy resources as
13 determined by the Pennsylvania Public Utility Commission by
14 regulation.

15 "Renewable and environmentally beneficial energy credit." A
16 tradable instrument that is used to track and verify compliance
17 with the provisions of this act.

18 "Renewable and environmentally beneficial portfolio
19 standards." Standards establishing that a certain amount of
20 renewable energy is included as part of the sources of electric
21 generation by electric utilities within this Commonwealth.

22 "Renewable resources." Any of the following:

23 (1) Solar photovoltaic energy.

24 (2) Solar thermal energy.

25 (3) Wind power.

26 (4) Low-impact hydropower.

27 (5) Geothermal energy.

28 (6) Biologically derived methane gas.

29 (7) Energy from waste and sustainable biomass energy,
30 including, but not limited to, agricultural waste and crops

1 grown for fuel.

2 (8) Other renewable energy resources as determined by
3 the Pennsylvania Public Utility Commission by regulation.

4 The term does not include municipal solid, industrial, residual
5 or any hazardous waste burned for the generation of electric
6 energy.

7 Section 3. Renewable and environmentally beneficial portfolio
8 standard.

9 (a) General rule.--In the fifteenth year after the effective
10 date of this section and each year thereafter, at least 10% of
11 the electric energy sold by an electric distribution company or
12 electric generation supplier to retail customers in this
13 Commonwealth shall be generated from renewable and
14 environmentally beneficial resources. Such electric energy
15 generated from renewable and environmentally beneficial
16 resources shall be generated at facilities within the geographic
17 limits of an independent system operator that operates a
18 transmission system and interstate power pool delivering
19 electric energy to retail customers in this Commonwealth.

20 (b) Phase-in.--

21 (1) Three years after the effective date of this
22 section, at least 2% of the electric energy sold by an
23 electric distribution company or electric generation supplier
24 to retail customers in this Commonwealth shall be generated
25 from renewable and environmentally beneficial resources.

26 (2) Six years after the effective date of this section,
27 at least 4% of the electric energy sold by an electric
28 distribution company or electric generation supplier to
29 retail customers in this Commonwealth shall be generated from
30 renewable and environmentally beneficial resources.

1 (3) Nine years after the effective date of this section,
2 at least 6% of the electric energy sold by an electric
3 distribution company or electric generation supplier to
4 retail customers in this Commonwealth shall be generated from
5 renewable and environmentally beneficial resources.

6 (4) Twelve years after the effective date of this
7 section, at least 8% of the electric energy sold by an
8 electric distribution company or electric generation supplier
9 to retail customers in this Commonwealth shall be generated
10 from renewable and environmentally beneficial resources.

11 (5) Fifteen years after the effective date of this
12 section, at least 10% of the electric energy sold by an
13 electric distribution company or electric generation supplier
14 to retail customers in this Commonwealth shall be generated
15 from renewable and environmentally beneficial resources.

16 (c) Minimum requirement for renewable energy.--At least 70%
17 of the renewable and beneficial energy portfolio of an electric
18 distribution company or electric generation supplier sold to
19 retail customers in this Commonwealth must be generated from
20 renewable resources.

21 (d) Credits.--

22 (1) The commission shall establish a renewable and
23 environmentally beneficial energy tradable credits program as
24 needed to implement this act.

25 (2) (i) An electric distribution company or electric
26 generation supplier shall comply with the applicable
27 requirements of this section by purchasing sufficient
28 renewable and environmentally beneficial energy credits
29 and submitting documentation of compliance to the program
30 administrator.

1 (ii) For purposes of this subsection, one renewable
2 energy credit shall represent one megawatt hour of
3 qualified renewable electric energy, whether self-
4 generated, purchased along with the electric commodity or
5 separately through a tradable instrument and otherwise
6 meeting the requirements of commission regulations and
7 the program administrator.

8 (3) The commission shall approve an independent entity
9 to serve as the renewable and environmentally beneficial
10 energy credits program administrator. The administrator shall
11 have those powers and duties assigned by commission
12 regulations. Such powers and duties shall include, but not be
13 limited to, the following:

14 (i) to create and administer a renewable energy
15 tradable credits certification, tracking and reporting
16 program;

17 (ii) to perform audits to verify that each electric
18 distribution company and electric generation supplier is
19 in compliance with subsection (a) or (b); and

20 (iii) to submit reports to the commission at such
21 times and in such manner as the commission shall direct.

22 (e) Penalties.--

23 (1) At the end of each program year, the program
24 administrator shall make a determination whether each
25 electric distribution company and electric generation
26 supplier is in compliance with subsection (a) or (b).

27 (2) The commission shall conduct a review of each
28 determination made under paragraph (1). If, after notice and
29 hearing, the commission determines that an electric
30 distribution company or electric generation supplier has

1 failed to comply with subsection (a) or (b), the commission
2 shall impose a civil penalty on that company or supplier,
3 which penalty shall be the lesser of the following:

4 (i) \$50 times the number of additional renewable and
5 environmentally beneficial energy credits needed in order
6 to comply with subsection (a) or (b); or

7 (ii) 200% of the average market value of renewable
8 and environmentally beneficial energy credits sold for
9 the year times the number of additional energy credits
10 required to comply with subsection (a) or (b) for that
11 year.

12 (f) Transfer to Clean Air Fund.--

13 (1) Notwithstanding the provisions of 66 Pa.C.S. §§ 511
14 (relating to disposition, appropriation and disbursement of
15 assessments and fees) and 3315 (relating to disposition of
16 fines and penalties), penalties imposed pursuant to this act
17 shall be paid into the Clean Air Fund established by section
18 9.2 of the act of January 8, 1960 (1959 P.L.2119, No.787),
19 known as the Air Pollution Control Act.

20 (2) A separate account is established in the Clean Air
21 Fund to receive the penalties imposed pursuant to this act.

22 (3) The money in the account shall be utilized solely
23 for projects that will increase the amount of electric energy
24 generated from renewable and environmentally beneficial
25 resources for purposes of compliance with subsections (a) and
26 (b).

27 Section 4. Effective date.

28 This act shall take effect in 90 days.