
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1171 Session of
2013

INTRODUCED BY LEACH, ERICKSON, SCHWANK, COSTA, HUGHES, DINNIMAN,
BLAKE AND FERLO, NOVEMBER 15, 2013

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY,
NOVEMBER 15, 2013

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 alternative energy portfolio standards
9 and for portfolio requirements in other states.

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

12 Section 1. Sections 3(b) and (f) and 4 of the act of
13 November 30, 2004 (P.L.1672, No.213), known as the Alternative
14 Energy Portfolio Standards Act, amended July 17, 2007 (P.L.114,
15 No.35), are amended to read:

16 Section 3. Alternative energy portfolio standards.

17 * * *

18 (b) Tier I and solar photovoltaic shares.--

19 (1) Two years after the effective date of this act, at
20 least 1.5% of the electric energy sold by an electric
21 distribution company or electric generation supplier to

1 retail electric customers in this Commonwealth shall be
2 generated from Tier I alternative energy sources. [Except as
3 provided in this section, the minimum percentage of electric
4 energy required to be sold to retail electric customers from
5 alternative energy sources shall increase to 2% three years
6 after the effective date of this act. The minimum percentage
7 of electric energy required to be sold to retail electric
8 customers from alternative energy sources shall increase by
9 at least 0.5% each year so that at least 8% of the electric
10 energy sold by an electric distribution company or electric
11 generation supplier to retail electric customers in that
12 certificated territory in the 15th year after the effective
13 date of this subsection is sold from Tier I alternative
14 energy resources.] The minimum percentage of electric energy
15 required to be sold to retail electric customers from
16 alternative energy sources shall be:

- 17 (i) 4.5% for June 1, 2013, through May 31, 2014.
- 18 (ii) 5% for June 1, 2014, through May 31, 2015.
- 19 (iii) 5.5% for June 1, 2015, through May 31, 2016.
- 20 (iv) 6% for June 1, 2016, through May 31, 2017.
- 21 (v) 7.5% for June 1, 2017, through May 31, 2018.
- 22 (vi) 9% for June 1, 2018, through May 31, 2019.
- 23 (vii) 10.5% for June 1, 2019, through May 31, 2020.
- 24 (viii) 12% for June 1, 2020, through May 31, 2021.
- 25 (ix) 13.5% for June 1, 2021, through May 31, 2022.
- 26 (x) 15% for June 1, 2022, and thereafter.

27 (2) The total percentage of the electric energy sold by
28 an electric distribution company or electric generation
29 supplier to retail electric customers in this Commonwealth
30 that must be sold from solar photovoltaic technologies is:

- 1 (i) 0.0013% for June 1, 2006, through May 31, 2007.
2 (ii) 0.0030% for June 1, 2007, through May 31, 2008.
3 (iii) 0.0063% for June 1, 2008, through May 31,
4 2009.
5 (iv) 0.0120% for June 1, 2009, through May 31, 2010.
6 (v) 0.0203% for June 1, 2010, through May 31, 2011.
7 (vi) 0.0325% for June 1, 2011, through May 31, 2012.
8 (vii) 0.0510% for June 1, 2012, through May 31,
9 2013.
10 (viii) [0.0840%] 0.1959% for June 1, 2013, through
11 May 31, 2014.
12 (ix) [0.1440%] 0.3408% for June 1, 2014, through May
13 31, 2015.
14 (x) [0.2500%] 0.4857% for June 1, 2015, through May
15 31, 2016.
16 (xi) [0.2933%] 0.6306% for June 1, 2016, through May
17 31, 2017.
18 (xii) [0.3400%] 0.7755% for June 1, 2017, through
19 May 31, 2018.
20 (xiii) [0.3900%] 0.9204% for June 1, 2018, through
21 May 31, 2019.
22 (xiv) [0.4433%] 1.0653% for June 1, 2019, through
23 May 31, 2020.
24 (xv) [0.5000%] 1.2102% for June 1, 2020, [and
25 thereafter] through June 1, 2021.
26 (xvi) 1.3551% for June 1, 2021, through May 31,
27 2022.
28 (xvii) 1.5000% for June 1, 2022, and thereafter.

29 (3) Upon commencement of the beginning of the 6th
30 reporting year, the commission shall undertake a review of

1 the compliance by electric distribution companies and
2 electric generation suppliers with the requirements of this
3 act. The review shall also include the status of alternative
4 energy technologies within this Commonwealth and the capacity
5 to add additional alternative energy resources. The
6 commission shall use the results of this review to recommend
7 to the General Assembly additional compliance goals beyond
8 year 15. The commission shall work with the department in
9 evaluating the future alternative energy resource potential.

10 * * *

11 (f) Alternative compliance payment.--

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

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

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

28 (4) The alternative compliance payment for the solar
29 photovoltaic share shall be [200% of the average market value
30 of solar renewable energy credits sold during the reporting

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

7 (i) For June 1, 2013, through May 31, 2014, \$250 per
8 megawatt hour.

9 (ii) For June 1, 2014, through May 31, 2015, \$225
10 per megawatt hour.

11 (iii) For June 1, 2015, through May 31, 2016, \$200
12 per megawatt hour.

13 (iv) For June 1, 2016, through May 31, 2017, \$175
14 per megawatt hour.

15 (v) For June 1, 2017, through May 31, 2018, \$150 per
16 megawatt hour.

17 (vi) For June 1, 2018, through May 31, 2019, \$125
18 per megawatt hour.

19 (vii) For June 1, 2019, through May 31, 2020, \$100
20 per megawatt hour.

21 (viii) For June 1, 2020, through May 31, 2021, \$75
22 per megawatt hour.

23 (ix) For June 1, 2021 and thereafter, \$50 per
24 megawatt hour.

25 (5) The commission shall establish a process to provide
26 for, at least annually, a review of the alternative energy
27 market within this Commonwealth and the service territories
28 of the regional transmission organizations that manage the
29 transmission system in any part of this Commonwealth. The
30 commission will use the results of this study to identify any

1 needed changes to the cost associated with the alternative
2 compliance payment program. If the commission finds that the
3 costs associated with the alternative compliance payment
4 program must be changed, the commission shall present these
5 findings to the General Assembly for legislative enactment.

6 * * *

7 Section 4. Portfolio requirements in other states.

8 (a) Requirements.--If an electric distribution supplier or
9 electric generation company provider sells electricity in any
10 other state and is subject to renewable energy portfolio
11 requirements in that state, they shall list any such requirement
12 and shall indicate how it satisfied those renewable energy
13 portfolio requirements. To prevent double-counting, the electric
14 distribution supplier or electric generation company shall not
15 satisfy Pennsylvania's alternative energy portfolio requirements
16 using alternative energy used to satisfy another state's
17 portfolio requirements or alternative energy credits already
18 purchased by individuals, businesses or government bodies that
19 do not have a compliance obligation under this act unless the
20 individual, business or government body sells those credits to
21 the electric distribution company or electric generation
22 supplier. Energy derived from alternative energy sources inside
23 the geographical boundaries of this Commonwealth shall be
24 eligible to meet the compliance requirements under this act.
25 Energy derived from alternative energy sources located outside
26 the geographical boundaries of this Commonwealth but within the
27 service territory of a regional transmission organization that
28 manages the transmission system in any part of this Commonwealth
29 shall only be eligible to meet the compliance requirements of
30 electric distribution companies or electric generation suppliers

1 located within the service territory of the same regional
2 transmission organization. For purposes of compliance with this
3 act, alternative energy sources located in the PJM
4 Interconnection, L.L.C. regional transmission organization (PJM)
5 or its successor service territory shall be eligible to fulfill
6 compliance obligations of all Pennsylvania electric distribution
7 companies and electric generation suppliers. Energy derived from
8 alternative energy sources located outside the service territory
9 of a regional transmission organization that manages the
10 transmission system in any part of this Commonwealth shall not
11 be eligible to meet the compliance requirements of this act.
12 Electric distribution companies and electric generation
13 suppliers shall document that this energy was not used to
14 satisfy another state's renewable energy portfolio standards.

15 (b) Solar photovoltaic technology.--To meet the requirements
16 of this section, all solar photovoltaic technology registered
17 after the effective date of this subsection shall directly
18 deliver the electricity it generates to the distribution system
19 operated by an electric distribution company operating within
20 this Commonwealth and currently obligated to meet the compliance
21 requirements contained in this act.

22 Section 2. The following provisions shall apply to contracts
23 for the purchase of solar alternative energy entered into after
24 May 31, 2013, by entities with a solar alternative energy
25 portfolio standard compliance obligation:

- 26 (1) The amendment of section 3(b) and (f) of the act.
27 (2) The amendment of section 4 of the act.

28 Section 3. This act shall take effect in 60 days.