
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1412 Session of
2017

INTRODUCED BY BARRAR, SAINATO, BARBIN, BOBACK, D. COSTA,
DRISCOLL, FARRY, GILLEN, LONGIETTI, O'NEILL, RAVENSTAHL,
RYAN, SOLOMON, WARD AND ZIMMERMAN, MAY 19, 2017

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY
PREPAREDNESS, MAY 19, 2017

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in restructuring of electric utility
3 industry, providing for microgrid and energy storage.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 66 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 2816. Microgrid and energy storage.

9 (a) Pilot program.--An electric distribution company may
10 propose energy storage or microgrid pilot programs for review
11 and approval by the commission. In determining whether a pilot
12 program under this section is in the public interest, the
13 commission shall consider the potential of the pilot program to:

14 (1) facilitate the use of diverse electric supply
15 options in this Commonwealth, including distributed energy
16 resources; and

17 (2) enhance electric distribution, resiliency and

1 operational flexibility.

2 (b) Rulemaking.--Within five years of the date the first
3 pilot program is approved under subsection (a), the commission
4 shall evaluate the results of each approved pilot program and
5 determine the circumstances under which the ownership,
6 development and deployment of energy storage and microgrids by
7 electric distribution companies may be in the public interest.
8 Within 60 days of the determination, the commission shall
9 commence a rulemaking to establish regulations to further the
10 deployment of energy storage and microgrids consistent with the
11 objectives under subsection (a) (1) and (2). Nothing under the
12 rulemaking shall require an electric distribution company to
13 own, develop or deploy energy storage or microgrids.

14 (c) Recovery.--An electric distribution company shall be
15 permitted to recover in the electric distribution company's
16 distribution rates established under section 1308 (relating to
17 voluntary changes in rates) a pretax return on, and a return of,
18 the original cost of an energy storage facility or microgrid
19 constructed pursuant to an approved pilot program or regulations
20 promulgated under this section and the reasonable, prudently
21 incurred expenses to operate and maintain the facility.

22 (d) Wholesale market participation.--Energy storage and
23 microgrids authorized under this section may participate in
24 wholesale energy markets with net proceeds from participation
25 credited to customers.

26 (e) Definitions.--As used in this section, the following
27 words and phrases shall have the meanings given to them in this
28 subsection unless the context clearly indicates otherwise:

29 "Distributed energy resource." Any of the following:

30 (1) A distributed generation resource.

1 (2) Energy efficiency.

2 (3) Energy storage.

3 (4) Electric vehicles and charging infrastructure.

4 (5) Demand response technology.

5 "Energy storage." A commercially available technology that
6 is capable of absorbing energy, storing the energy for a period
7 of time and thereafter dispatching the energy.

8 "Island mode." The physical disconnection of a microgrid and
9 customers within the microgrid from the distribution system of
10 the electric distribution company.

11 "Microgrid." A group of interconnected loads and distributed
12 energy resources within clearly defined electrical boundaries
13 that acts as a single controllable entity with respect to an
14 electric distribution company's distribution system which can
15 connect to and disconnect from a distribution system and operate
16 either connected to the distribution system or in island mode.

17 Section 2. This act shall take effect in 60 days.