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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 136 Session of  
2019

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INTRODUCED BY QUINN, DONATUCCI, SCHLOSSBERG, D. MILLER, FREEMAN,  
STURLA, SCHWEYER, BARRAR AND SIMS, JANUARY 28, 2019

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JANUARY 28, 2019

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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 definitions and for interconnection  
9 standards for customer-generator facilities; and providing  
10 for community solar generating systems.

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

13 Section 1. The General Assembly finds and declares as  
14 follows:

15 (1) Growth in solar generation will provide jobs in this  
16 Commonwealth.

17 (2) Local solar energy generation can contribute to a  
18 more resilient grid and defer the need for costly new  
19 transmission and distribution system build out.

20 (3) Community solar generation can foster economic  
21 growth as well as opportunities for competition and  
22 innovative business models.

1 (4) Programs for community solar generation empower  
2 consumers with additional energy choices and can provide  
3 access to local, affordable and clean energy options to all  
4 energy customers.

5 (5) Community solar programs provide consumers,  
6 including homeowners, renters and businesses, access to the  
7 benefits of local solar energy generation, unconstrained by  
8 the physical attributes of their home or business, like roof  
9 space, shading or ownership status.

10 (6) The intent of this act is to:

11 (i) Allow electric customers of this Commonwealth to  
12 purchase or lease shares of a community solar generation  
13 system and use the resulting generation in the same  
14 manner as if they had installed the generating system on  
15 their property.

16 (ii) Encourage the development of programs that will  
17 guarantee participation and tangible benefits by low-  
18 income and moderate-income customers and by entities that  
19 serve them.

20 (iii) Reasonably allow for the creation and  
21 financing of community solar generating facilities in a  
22 way that ensures robust customer participation.

23 Section 2. The definitions of "customer-generator" and "net  
24 metering" in section 2 of the act of November 30, 2004

25 (P.L.1672, No.213), known as the Alternative Energy Portfolio  
26 Standards Act, are amended and the section is amended by adding  
27 definitions to read:

28 Section 2. Definitions.

29 The following words and phrases when used in this act shall  
30 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Bill credit." The monetary value of electricity, in  
4 kilowatt-hours, that is generated by a community solar  
5 generating system allocated to a subscriber to offset the  
6 subscriber's electricity bill and which value is calculated  
7 using net metering.

8 \* \* \*

9 "Community solar facility." A facility that:

10 (1) is connected to the electric distribution grid  
11 servicing this Commonwealth;

12 (2) is located in the service territory of an electric  
13 distribution company submitting compliance filings under this  
14 act;

15 (3) delivers electricity to the distribution system  
16 operated by an electric distribution company operating within  
17 this Commonwealth and is currently obligated to meet the  
18 compliance requirements contained under this act or directly  
19 connected to the electric system of an electric cooperative  
20 or municipal electric system, operating within this  
21 Commonwealth;

22 (4) has a nameplate capacity not to exceed that  
23 authorized for a nonresidential customer-generator under this  
24 act;

25 (5) has at least two subscribers;

26 (6) limits single subscriptions to 50% of the facility  
27 capacity in kilowatts or output in kilowatt-hours, with the  
28 exception of master-metered, multifamily buildings and low-  
29 income projects; and

30 (7) credits its generated electricity to the bills of

1 subscribers.

2 "Community solar generating system." A system of a community  
3 solar facility that generates electricity by means of a solar  
4 photovoltaic device whereby subscribers receive a bill credit  
5 for the electricity generated in proportion to the size of their  
6 subscription.

7 "Customer-generator." A subscriber to a community solar  
8 generating system or nonutility owner or operator of a net  
9 metered distributed generation system with a nameplate capacity  
10 of not greater than 50 kilowatts if installed at a residential  
11 service or not larger than 3,000 kilowatts at other customer  
12 service locations, except for customers whose systems are above  
13 three megawatts and up to five megawatts who make their systems  
14 available to operate in parallel with the electric utility  
15 during grid emergencies as defined by the regional transmission  
16 organization or where a microgrid is in place for the primary or  
17 secondary purpose of maintaining critical infrastructure, such  
18 as homeland security assignments, emergency services facilities,  
19 hospitals, traffic signals, wastewater treatment plants or  
20 telecommunications facilities, provided that technical rules for  
21 operating generators interconnected with facilities of an  
22 electric distribution company, electric cooperative or municipal  
23 electric system have been promulgated by the Institute of  
24 Electrical and Electronic Engineers and the Pennsylvania Public  
25 Utility Commission.

26 \* \* \*

27 "Low-income customer." An in-State retail end user of an  
28 electric distribution company whose income does not exceed 200%  
29 of the Federal poverty level, adjusted for family size and  
30 revised every year. A low-income customer includes an affordable

1 housing facility or low-income service organization whose  
2 resident's or client's income does not exceed 200% of the  
3 Federal poverty level.

4 "Moderate-income customer." An in-State retail end user of  
5 an electric distribution company whose income does not exceed  
6 100% of the area median income, adjusted for family size and  
7 revised every year.

8 \* \* \*

9 "Net metering." The means of measuring the difference  
10 between the electricity supplied by an electric utility and the  
11 electricity generated by a customer-generator when any portion  
12 of the electricity generated by the alternative energy  
13 generating system or community solar generating system is used  
14 to offset part or all of the customer-generator's requirements  
15 for electricity. Virtual meter aggregation on properties owned  
16 or leased and operated by a customer-generator [and located  
17 within two miles of the boundaries of the customer-generator's  
18 property] and within a single electric distribution company's  
19 service territory shall be eligible for net metering.

20 \* \* \*

21 "Subscriber." A retail customer of an electric distribution  
22 company that owns one or more subscriptions of a community solar  
23 generating system interconnected with the customer's electric  
24 distribution company.

25 "Subscriber organization." An entity that owns or operates  
26 one or more community solar generating systems.

27 "Subscriptions." A contract between a subscriber and the  
28 owner of a community solar generating system.

29 \* \* \*

30 "Unsubscribed energy." The output of a community solar

1 generating system, measured in kilowatt-hours, that is not  
2 allocated to a subscriber.

3 Section 3. Section 5 of the act is amended to read:

4 Section 5. Interconnection standards for customer-generator  
5 facilities.

6 Excess generation from net-metered customer-generators shall  
7 receive full retail value for all energy produced on an annual  
8 basis. The commission shall develop technical and net metering  
9 interconnection rules for customer-generators intending to  
10 operate community solar generating systems or renewable onsite  
11 generators in parallel with the electric utility grid,  
12 consistent with rules defined in other states within the service  
13 region of the regional transmission organization that manages  
14 the transmission system in any part of this Commonwealth. The  
15 commission shall convene a stakeholder process to develop  
16 Statewide technical and net metering rules for customer-  
17 generators. The commission shall develop these rules within nine  
18 months of the effective date of this act.

19 Section 4. The act is amended by adding a section to read:

20 Section 8.1. Community solar generating systems.

21 (a) Authorization.--

22 (1) A community solar generating system may be built,  
23 owned or operated by a third-party entity under contract with  
24 a subscriber organization.

25 (2) The price paid for a subscription in a community  
26 solar generating system shall not be subject to regulation by  
27 the commission.

28 (b) Transferability and portability of subscriptions.--The  
29 electric distribution company shall allow for the  
30 transferability and portability of subscriptions, including

1 allowing a subscriber to retain a subscription to a community  
2 solar facility, if the subscriber moves within the same electric  
3 distribution company territory.

4 (c) Updating subscribers.--A subscriber organization may  
5 update its subscribers not more frequently than monthly. Each  
6 month the subscriber organization shall provide the following  
7 information about each subscriber to the electric distribution  
8 company in a standardized electronic format approved by the  
9 commission, as required to facilitate crediting subscribers:

10 (1) the name, address, account number and meter number  
11 or numbers; and

12 (2) the subscription percentage or amount.

13 (d) Standardized subscription form.--The commission shall  
14 develop a standardized disclosure form to be included with  
15 subscriptions.

16 (e) Limits on electric distribution companies.--

17 (1) An electric distribution company may not remove a  
18 customer from its otherwise applicable customer class in  
19 order to participate in a community solar facility.

20 (2) If the capacity of a community solar generating  
21 system is not fully subscribed, the electric distribution  
22 company shall purchase the unsubscribed energy at the  
23 utility's avoided cost of energy.

24 (f) Construction.--The subscriber organization, any  
25 subscriber or any third-party entity owning or operating a  
26 community solar generating system shall not be considered an  
27 electric distribution company, as defined in 66 Pa.C.S. § 2803  
28 (relating to definitions), or an electric generation provider  
29 solely as a result of any involvement with the community solar  
30 generating system.

1 (g) Duties of electric distribution companies.--

2 (1) An electric distribution company shall, on a monthly  
3 basis and in a standardized electronic format, provide to a  
4 subscriber organization a report indicating the total value  
5 of bill credits generated by the community solar facility in  
6 the prior month as well as the amount of the bill credit  
7 applied to each subscriber.

8 (2) The electric distribution company shall provide a  
9 bill credit to a subscriber's subsequent monthly electric  
10 bill for the proportional output of a community solar  
11 facility attributable to the subscriber in the same manner as  
12 if the electric distribution company owned or leased the  
13 generating system on the property.

14 (h) Compensation to electric distribution company.--

15 (1) The community solar generating system shall  
16 compensate the electric distribution company for the  
17 company's reasonable costs of interconnection to accommodate  
18 the facility.

19 (2) An electric distribution company shall be entitled  
20 to recover reasonable community solar generating system  
21 administrative costs, subject to approval by the commission.

22 (i) Process for low-income customers and moderate-income  
23 customers.--The commission shall, by regulation, establish a  
24 process that ensures access to community solar generating  
25 systems by low-income customers and moderate-income customers.  
26 The commission may establish preference for low-income customers  
27 and projects that benefit environmental justice communities,  
28 including tariffs, incentives and siting.

29 (j) Participation by low-income customers.--

30 (1) The Department of Community and Economic



1 Development, the Department of Environmental Protection and  
2 the Department of Health and Human Services, in consultation  
3 with the commission, shall:

4 (i) Coordinate to develop the best approach to  
5 servicing low-income customers and moderate-income  
6 customers. Any mechanisms designed for low-income  
7 customers and low-income service organizations shall  
8 achieve tangible economic benefits for low-income  
9 customers and integrate with existing complementary  
10 programs, including energy efficiency, energy assistance  
11 and workforce development programs.

12 (ii) Complete and submit their plan to the  
13 commission within 12 months of the effective date of this  
14 section.

15 (2) Utilities may use customer assistance program  
16 dollars for low-income customer subscriptions to community  
17 solar projects if the cost per kilowatt hour of electricity  
18 from the community solar generating facility is at or below  
19 the default price.

20 (3) Agencies and utilities may identify additional  
21 funding sources to ensure that low-income customer and  
22 moderate-income customer participation targets are met and  
23 benefits are maximized.

24 (k) Participation by all rate classes.--

25 (1) The commission shall develop regulations to ensure  
26 participation by all rate classes. The regulations shall  
27 include a minimum programmatic inclusionary target for  
28 participation by low-income customers and moderate-income  
29 customers and consumer protections.

30 (2) The regulations shall ensure program capacity is

1 available for the following:

2 (i) Residential customers.

3 (ii) Small commercial customers.

4 (iii) Low-income customers and moderate-income  
5 customers.

6 (iv) Low-income service organizations.

7 Section 5. This act shall take effect in 60 days.