
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1970 Session of
2019

INTRODUCED BY MIZGORSKI, ULLMAN, SCHMITT, ZABEL, THOMAS,
MILLARD, CALTAGIRONE, BROWN, FRANKEL AND OTTEN,
OCTOBER 21, 2019

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, OCTOBER 21, 2019

AN ACT

1 Providing for the establishment of local solar programs.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Local Solar
6 Programs Act.

7 Section 2. Findings and declarations.

8 The General Assembly finds and declares as follows:

9 (1) Solar energy can provide jobs in communities in this
10 Commonwealth.

11 (2) Local solar energy generation within this
12 Commonwealth can contribute to environmental goals, including
13 reduction in air pollution.

14 (3) Local solar energy generation can foster economic
15 growth in Pennsylvania communities.

16 (4) Pennsylvania is a deregulated energy State, with
17 competitive retail markets, making top-down renewable energy

1 programs more difficult to implement than in vertically
2 integrated states.

3 (5) Many Pennsylvanians are unable to participate in
4 solar energy generation because they are constrained by the
5 physical attributes of their home or business, such as roof
6 space, shading or ownership status.

7 (6) Low-income customers are generally unable to choose
8 to purchase renewable electricity through the retail market
9 due to utility program rules that prohibit shopping for
10 customer assistance program participants or put limits on
11 costs, which disqualifies renewable energy with its cost
12 premium.

13 (7) The intent of this act is to:

14 (i) Allow electric customers of this Commonwealth to
15 use electricity produced by local solar generation within
16 this Commonwealth.

17 (ii) Support the growth of solar energy projects
18 constructed in communities within this Commonwealth.

19 (iii) Allow low-income customers an opportunity to
20 participate in the green economy by electing renewable
21 energy from local solar generation within this
22 Commonwealth, while maintaining participation in customer
23 assistance programs.

24 Section 3. Definitions.

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

28 "Commission." The Pennsylvania Public Utility Commission.

29 "Developer." A third-party entity under contract with the
30 electric distribution company to build, own, operate and

1 maintain a local solar facility.

2 "Electric distribution company." As defined in 66 Pa.C.S. §
3 2803 (relating to definitions).

4 "Local solar facility." A facility that meets all of the
5 following:

6 (1) Generates electricity through the use of a
7 photovoltaic solar device.

8 (2) Is connected to the electric distribution grid
9 serving this Commonwealth.

10 (3) Is located in the service territory of an electric
11 distribution company under the jurisdiction of the
12 commission.

13 (4) Delivers electricity to the distribution system
14 operated by an electric distribution company operating within
15 this Commonwealth.

16 (5) Has a nameplate capacity which does not exceed three
17 megawatts.

18 (6) Limits single subscription to 10% of the local solar
19 facility output in kilowatt hours.

20 "Local solar program." A local solar program established
21 under section 4(a) offered by an electric distribution
22 company.

23 "Low-income customer." An in-State retail end user of an
24 electric distribution company that qualifies for the electric
25 distribution company's customer assistance program.

26 "Subscriber." A retail customer of an electric distribution
27 company that elects to purchase electricity produced by a local
28 solar facility through a local solar program.

29 Section 4. Local solar programs.

30 (a) Establishment.--An electric distribution company under

1 the jurisdiction of the commission may establish a local solar
2 program.

3 (b) Local solar facility construction and operation.--

4 (1) A local solar facility shall be constructed, owned,
5 operated and maintained by a developer under contract with
6 the electric distribution company. The developer may not be
7 owned or operated by the electric distribution company.

8 (2) A developer shall be selected by a request for
9 proposals open to any interested entity.

10 (3) An electric distribution company shall enter into a
11 long-term agreement with the developer, with a minimum term
12 of 15 years and a maximum term of 25 years.

13 (4) The agreement between developer and electric
14 distribution company shall clearly define the division of
15 responsibilities concerning program marketing, customer
16 service, metering and operation.

17 (5) The contract between developer and electric
18 distribution company shall be subject to approval by the
19 commission to ensure adequate consumer protections.

20 (c) Customer subscriptions.--

21 (1) Each customer served by an electric distribution
22 company that offers a local solar program shall be provided
23 an opportunity to subscribe to the local solar program of the
24 customer's electric distribution company.

25 (2) A subscription under paragraph (1) shall allow a
26 customer to purchase renewable electricity produced by a
27 local solar facility interconnected to the electric
28 distribution company's system.

29 (3) The cost of the solar energy shall be reflected in
30 the per kilowatt hour charge for energy on the customer bill.

1 Subscription to a local solar program may not impact other
2 charges on a customer bill, including transmission and
3 distribution charges and customer fees.

4 (4) An electric distribution company may not charge a
5 sign-up fee or other additional charge to subscribers.

6 (5) A customer shall subscribe for the customer's entire
7 electricity use per account. Subscriptions for a percentage
8 of account usage may not be offered.

9 (6) A customer may cancel the customer's subscription at
10 any time. An electric distribution company may not apply
11 cancellation fees.

12 (7) The maximum size of a subscription shall be 10% of
13 the output from a local solar program, measured in kilowatt
14 hour of output.

15 (8) A subscription may be transferred to another service
16 address within the electric distribution company's service
17 territory until the customer cancels the subscription.

18 (9) A subscription shall be available on a first-come,
19 first-served basis. If a local solar program is fully
20 subscribed, the electric distribution company shall maintain
21 a wait list and allow additional customers to subscribe if
22 additional subscriptions become available, in the order of
23 the wait list.

24 (d) Cost recovery.--

25 (1) The cost of development of the local solar program
26 shall be factored into the rate charged to subscribers for
27 energy usage.

28 (2) An electric distribution company shall be allowed to
29 recover costs of program implementation, from each customer,
30 subject to commission approval.

1 (e) Solar renewable energy credits.--Each solar renewable
2 energy credit generated by a local solar program shall count
3 toward the electric distribution company's compliance with the
4 act of November 30, 2004 (P.L.1672, No.213), known as the
5 Alternative Energy Portfolio Standards Act.

6 (f) Low-income customers.--

7 (1) A portion of a local solar facility's output in
8 kilowatt hours shall be reserved for subscription by low-
9 income customers. The amount of output reserved for low-
10 income participation shall be from a minimum of 5% to a
11 maximum of 15%.

12 (2) A low-income customer subscribing to a local solar
13 program shall remain eligible for an electric distribution
14 company's customer assistance program and shall remain
15 eligible to pay the same amount for electricity as the low-
16 income customer would if not subscribing to the local solar
17 program.

18 (g) Implementation and evaluation.--

19 (1) Within 120 days of the effective date of this
20 section, the commission shall establish procedures for
21 reviewing and approving local solar programs.

22 (2) The commission shall establish regulations for
23 approving the request for proposal process and results,
24 including the cost for energy, which shall be fixed over the
25 life of the contract.

26 (3) The commission shall establish a process for
27 evaluating local solar programs within the first year
28 following activation of the local solar program and not less
29 than every three years thereafter, to ensure that local solar
30 programs are meeting the objectives of this act.

1 (h) Compensation to electric distribution company.--An
2 electric distribution company may recover reasonable
3 administrative costs associated with a local solar program,
4 subject to approval by the commission.

5 Section 5. Effective date.

6 This act shall take effect in 60 days.