
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 705 Session of
2019

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LAUGHLIN AND AUMENT, JUNE 11, 2019

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
JUNE 11, 2019

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; providing for
10 unsubscribed energy, for community solar facilities, electric
11 distribution companies and subscriber administrators, for
12 customer participation in community solar programs, for
13 location of multiple community solar facilities and for
14 ecology and stewardship; and making editorial changes.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. The General Assembly finds and declares as
18 follows:

19 (1) Growth in solar generation will provide jobs for
20 Pennsylvania.

21 (2) Local solar energy generation can contribute to a
22 more resilient grid and defer the need for costly new

1 transmission and distribution system expansion.

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

5 (4) Programs for community solar generation provide
6 customers with additional energy choices and access to local,
7 affordable and clean energy options.

8 (5) Community solar programs provide customers,
9 including homeowners, renters and businesses, access to the
10 benefits of local solar energy generation, unconstrained by
11 the physical attributes of their home or business, such as
12 roof space, shading or ownership status.

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

14 (i) Allow electric customers of this Commonwealth to
15 purchase, lease or subscribe to a portion of a community
16 solar facility and benefit from the resulting generation
17 as if they had installed a solar facility on their own
18 property and connected it to their own electric meter.

19 (ii) Encourage the development of community solar
20 programs that will facilitate participation and create
21 tangible benefits for low-income and moderate-income
22 customers and the communities in which they live.

23 (iii) Reasonably allow for the creation, financing,
24 accessibility and operation of community solar generating
25 facilities in a way that ensures robust customer
26 participation.

27 (iv) In developing regulations, ensure that the
28 Pennsylvania Public Utility Commission identifies and
29 eliminates barriers to participation by renters, low-
30 income and moderate-income customers and small

1 businesses.

2 Section 2. The definition of "customer-generator" in section
3 2 of the act of November 30, 2004 (P.L.1672, No.213), known as
4 the Alternative Energy Portfolio Standards Act, is amended and
5 the section is amended by adding definitions to read:

6 Section 2. Definitions.

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

10 * * *

11 "Bill credit." The commission-approved monetary value of
12 each kilowatt hour of electricity generated by a community solar
13 facility and allocated to a subscriber's monthly bill to offset
14 the subscriber's retail electric bill.

15 * * *

16 "Community solar facility." A facility that:

17 (1) Generates electricity by means of a solar
18 photovoltaic device whereby subscribers receive a bill credit
19 for the electricity generated based on the size of the
20 subscriptions.

21 (2) Is located within this Commonwealth.

22 (3) Is connected to and delivers electricity to a
23 distribution system operated by an electric distribution
24 company operating in this Commonwealth and in compliance with
25 requirements under this act.

26 (4) Has a nameplate capacity that does not exceed the
27 capacity authorized for a customer-generator that is a
28 community solar facility under this act.

29 (5) Has at least two subscribers.

30 (6) For a community solar facility with a capacity of

1 more than 1,000 kilowatts, has no single subscriber who
2 subscribes to more than 50% of the facility capacity in
3 kilowatts or output in kilowatt hours, except for master-
4 metered multifamily residential and commercial buildings.

5 (7) Credits some or all of the community solar facility
6 generated electricity to the bills of subscribers.

7 (8) May be located remotely from a subscriber's premises
8 and shall not be required to provide energy to an on-site
9 load.

10 "Community solar organization." An entity that owns or
11 operates one or more community solar facilities.

12 * * *

13 "Customer-generator." A subscriber to a community solar
14 facility or nonutility owner or operator of a net metered
15 distributed generation system with a nameplate capacity of not
16 greater than 50 kilowatts if installed at a residential service,
17 not greater than 5,000 kilowatts for a community solar facility,
18 or not larger than 3,000 kilowatts at other customer service
19 locations, except for customers whose systems are above three
20 megawatts and up to five megawatts who make their systems
21 available to operate in parallel with the electric utility
22 during grid emergencies as defined by the regional transmission
23 organization or where a microgrid is in place for the primary or
24 secondary purpose of maintaining critical infrastructure, such
25 as homeland security assignments, emergency services facilities,
26 hospitals, traffic signals, wastewater treatment plants or
27 telecommunications facilities, provided that technical rules for
28 operating generators interconnected with facilities of an
29 electric distribution company, electric cooperative or municipal
30 electric system have been promulgated by the Institute of

1 Electrical and Electronic Engineers and the Pennsylvania Public
2 Utility Commission.

3 * * *

4 "Low-income customer." A retail residential end user of an
5 electric distribution company whose household income does not
6 exceed 200% of the Federal poverty level, adjusted for family
7 size.

8 "Moderate-income customer." A retail end user of an electric
9 distribution company whose income does not exceed 100% of the
10 applicable area median income, adjusted for family size.

11 * * *

12 "Subscriber." A retail customer of an electric distribution
13 company who owns one or more subscriptions of a community solar
14 facility interconnected with the customer's electric
15 distribution company. The term includes a retail customer who
16 owns a portion of a community solar facility.

17 "Subscriber administrator." An entity that recruits and
18 enrolls subscribers, administers subscriber participation in
19 community solar facilities and manages the subscription
20 relationship between subscribers and an electric distribution
21 company.

22 "Subscription." A contract between a subscriber and
23 subscriber administrator of a community solar facility that
24 entitles the subscriber to a bill credit against the
25 subscriber's retail electric bill.

26 * * *

27 "Unsubscribed energy." The output of a community solar
28 facility, measured in kilowatt hours, that is not allocated to
29 subscribers.

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

1 Section 5. Interconnection standards for customer-generator
2 facilities.

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

16 Section 4. The act is amended by adding sections to read:

17 Section 9. Unsubscribed energy.

18 An electric distribution company shall purchase unsubscribed
19 energy from a community solar facility at the electric
20 distribution company's avoided cost as approved by the
21 commission. No later than nine months after the effective date
22 of this section, the commission shall establish regulations
23 necessary to effectuate this section regarding the purchase of
24 unsubscribed energy.

25 Section 10. Community solar facilities, electric distribution
26 companies and subscriber administrators.

27 (a) Authorization.--

28 (1) A community solar facility may be built, owned or
29 operated by a third party entity under contract with a
30 community solar organization or a subscriber administrator.

1 (2) A community solar organization may serve as a
2 subscriber administrator or may contract with a third party
3 to serve as a subscriber administrator on behalf of the
4 community solar organization.

5 (3) Except as provided under paragraph (4), the price
6 paid for a subscription in a community solar facility shall
7 not be subject to regulation by the commission.

8 (4) The commission shall ensure that the value of a bill
9 credit allows for the creation, financing, accessibility and
10 operation of community solar facilities to maximize customer
11 participation. Subscribed energy from a community solar
12 facility shall receive the full retail value for all energy
13 produced on an annual basis calculated for each customer
14 class. Not later than nine months after the effective date of
15 this section, the commission shall establish the value of the
16 bill credit for each electric distribution company.

17 (b) Transferability and portability.--An electric
18 distribution company shall allow for the transferability and
19 portability of subscriptions, including allowing a subscriber to
20 retain a subscription to a community solar facility if the
21 subscriber relocates within the same electric distribution
22 company territory.

23 (c) Subscriber updates.--On a monthly basis, a subscriber
24 administrator shall update the subscriber administrator's list
25 of subscribers and provide all of the following information
26 about each subscriber to the electric distribution company in a
27 standardized electronic format approved by the commission for
28 the purpose of bill credit to subscribers:

29 (1) The name, address, account number and meter number.

30 (2) The kilowatt hours of electricity generation

1 attributable to each subscriber.

2 (3) If a community solar organization is using the
3 electric distribution company's billing methods to collect
4 subscription fees, the subscription fee for the month owed by
5 each subscriber to the community solar organization.

6 (d) Customer protection.--

7 (1) Community solar organizations and subscriber
8 administrators shall be subject to the customer protection
9 provisions under 66 Pa.C.S. Ch. 15 (relating to service and
10 facilities). The commission shall establish regulations that
11 provide for the protection of customers who utilize
12 community solar organizations, community solar facilities and
13 subscriber administrators.

14 (2) The commission shall develop a standardized customer
15 disclosure form that identifies the minimum information that
16 must be provided by subscriber administrators to potential
17 subscribers to ensure the disclosure of the future costs and
18 benefits of subscriptions and subscribers' rights and
19 obligations pertaining to subscriptions.

20 (3) A subscriber administrator may remove a customer
21 from the subscriber roll if the customer is more than 60 days
22 in arrears in the payment of subscriber fees.

23 (e) Customer removal prohibition.--An electric distribution
24 company may not remove a customer from the electric distribution
25 company's customer class in order to participate in a community
26 solar facility.

27 (f) Construction.--A community solar organization, a
28 subscriber or third party owning or operating a community solar
29 facility shall not be considered an electric distribution
30 company as defined in 66 Pa.C.S. § 2803 (relating to

1 definitions) or an electric generation provider solely as a
2 result of involvement with a community solar facility.

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

4 (1) On a monthly basis, an electric distribution company
5 shall provide to a community solar organization and
6 subscriber administrator a report in a standardized
7 electronic format indicating the total value of the bill
8 credit generated by the community solar facility in the prior
9 month and the amount of the bill credit applied to each
10 subscriber.

11 (2) An electric distribution company shall provide a
12 bill credit to a subscriber's next monthly electric bill for
13 the proportional output of a community solar facility
14 attributable to the subscriber in the same manner as if the
15 solar facility were located on the customer's property.

16 (3) If requested by a community solar organization, an
17 electric distribution company shall include a subscriber's
18 subscription fee on the monthly bill and forward the
19 collected subscription fees to the community solar
20 organization on a monthly basis. The commission's rules about
21 the nonpayment of nonenergy expenses shall apply to the
22 nonpayment of subscription fees.

23 (4) Not later than one year after the effective date of
24 this section, an electric distribution company shall make
25 available and update, in a commercially reasonable manner, a
26 system map showing the loading of the distribution system and
27 indicating where in the service territory the distribution
28 system could accommodate new solar generation.

29 (h) Compensation.--

30 (1) A community solar organization shall compensate an

1 electric distribution company for the electric distribution
2 company's reasonable costs of interconnection of a community
3 solar facility.

4 (2) An electric distribution company shall be entitled
5 to recover reasonable costs, subject to approval by the
6 commission, to administer a community solar program within
7 the community solar organization's service territory.

8 Section 11. Customer participation in community solar programs.

9 (a) Regulations.--Not later than one year after the
10 effective date of this section, the commission shall establish
11 regulations to enable participation in community solar programs
12 by each customer class and economic group. Community solar
13 organizations, community solar facilities, electric distribution
14 companies and subscription administrators shall not be required
15 to comply with the regulations until 180 days after the
16 regulations are established. The regulations shall:

17 (1) Be based on consideration of formal and informal
18 input from all stakeholders, including Commonwealth agencies.

19 (2) Establish requirements that ensure access to
20 programs and equitable opportunities for participation for
21 residential and small commercial customer classes.

22 (3) Establish targets for participation by low-income
23 customers and moderate-income customers, allowing a
24 customer's low-income or moderate-income customer status to
25 be valid without subsequent income verification for the term
26 of the customer's subscription.

27 (4) Authorize electric distribution companies to use
28 money allocated for customer assistance programs to support
29 low-income customer participation in community solar
30 facilities if the price per kilowatt hour of electricity from

1 the community solar facility is at or below the default
2 price.

3 (5) Allow for the use of other funding to support
4 participation by low-income and moderate-income customers.

5 (b) Report.--Not later than three years after the effective
6 date of this section, the commission shall submit a report to
7 the General Assembly detailing the participation in community
8 solar programs by each customer class and economic group,
9 including the participation by low-income customers and
10 moderate-income customers.

11 Section 12. Location of multiple community solar facilities.

12 The commission shall, by regulation, establish limitations on
13 the location of multiple community solar facilities in close
14 proximity. The regulations shall:

15 (1) Prohibit an entity, affiliated entity or entities
16 under common control from developing, owning or operating
17 more than one community solar facility on the same parcel or
18 contiguous parcels of land.

19 (2) Prohibit an entity, affiliated entity or entities
20 under common control from developing, owning or operating
21 more than one community solar facility on contiguous parcels
22 of land that have been divided from a single parcel within
23 the previous five years.

24 (3) Authorize community solar facilities that are not
25 owned, developed or operated by the same entity, affiliated
26 entity or entities under common control to be located on
27 contiguous parcels.

28 Section 13. Ecology and stewardship.

29 (a) Disclosure.--The owner or operator of a ground-mounted
30 community solar facility shall publicly disclose information on

1 how the land under and around the community solar facility will
2 be managed on the community solar facility's publicly accessible
3 Internet website. The information may include, but not be
4 limited to, a description of any stewardship or land use
5 practices that can be beneficial to the health and quality of
6 local soils and waters, native pollinators and wildlife and
7 managed honey bees and agriculture.

8 (b) Compliance.--The disclosure requirement under subsection
9 (a) shall be satisfied if the owner or operator of a community
10 solar facility provides a copy of a pollinator-friendly solar
11 scorecard published by The Pennsylvania State University's
12 Department of Entomology on the community solar facility's
13 publicly accessible Internet website.

14 Section 5. Section 9 of the act is renumbered to read:
15 Section [9] 14. Effective date.

16 This act shall take effect in 90 days.

17 Section 6. This act shall take effect in 60 days.