
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1396 Session of
2021

INTRODUCED BY QUINN, HERRIN, ZABEL, FREEMAN, MILLARD, HILL-
EVANS, MALAGARI, WEBSTER, THOMAS, SIMS, MADDEN, ROZZI,
SAPPEY, CONKLIN, CIRESI AND R. BROWN, MAY 14, 2021

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
MAY 14, 2021

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

1 innovative business models.

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

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

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

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

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

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

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

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

29 Section 2. Definitions.

30 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

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

9 * * *

10 "Community solar facility." A facility that:

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

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

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

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

26 (5) has at least two subscribers;

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

1 (7) credits its generated electricity to the bills of
2 subscribers.

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

8 * * *

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

28 * * *

29 "Low-income customer." An in-State retail end user of an
30 electric distribution company whose income does not exceed 200%

1 of the Federal poverty level, adjusted for family size and
2 revised every year. A low-income customer includes an affordable
3 housing facility or low-income service organization whose
4 resident's or client's income does not exceed 200% of the
5 Federal poverty level.

6 "Moderate-income customer." An in-State retail end user of
7 an electric distribution company whose income does not exceed
8 100% of the area median income, adjusted for family size and
9 revised every year.

10 * * *

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

22 * * *

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

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

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

1 * * *

2 "Unsubscribed energy." The output of a community solar
3 generating system, measured in kilowatt-hours, that is not
4 allocated to a subscriber.

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

6 Section 5. Interconnection standards for customer-generator
7 facilities.

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

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

22 Section 8.1. Community solar generating systems.

23 (a) Authorization.--

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

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

30 (b) Transferability and portability of subscriptions.--The

1 electric distribution company shall allow for the
2 transferability and portability of subscriptions, including
3 allowing a subscriber to retain a subscription to a community
4 solar facility, if the subscriber moves within the same electric
5 distribution company territory.

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

12 (1) the name, address, account number and meter number
13 or numbers; and

14 (2) the subscription percentage or amount.

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

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

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

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

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

1 solely as a result of any involvement with the community solar
2 generating system.

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

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

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

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

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

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

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

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

2 (1) The Department of Community and Economic
3 Development, the department and the Department of Health and
4 Human Services, in consultation with the commission, shall:

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

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

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

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

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

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

1 (2) The regulations shall ensure program capacity is
2 available for the following:

3 (i) Residential customers.

4 (ii) Small commercial customers.

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

7 (iv) Low-income service organizations.

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