THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL
No. 300 Session of 2021

INTRODUCED BY SANTARSIERO, COMITTA, HAYWOOD, KEARNEY, STREET, FONTANA, HUGHES, COSTA, MUTH AND COLLETT, APRIL 20, 2021

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, APRIL 20, 2021

AN ACT

Amending the act of November 30, 2004 (P.L.1672, No.213), entitled "An act providing for the sale of electric energy generated from renewable and environmentally beneficial sources, for the acquisition of electric energy generated from renewable and environmentally beneficial sources by electric distribution and supply companies and for the powers and duties of the Pennsylvania Public Utility Commission," further providing for definitions and for alternative energy portfolio standards, providing for solar photovoltaic technology requirements, for contract requirements for solar photovoltaic energy system sources, for renewable energy storage report, for energy storage deployment targets and for contracts for solar photovoltaic technologies by Commonwealth agencies and further providing for portfolio requirements in other states; and making a related repeal.

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

Section 1. The definition of "reporting period" in section 2 of the act of November 30, 2004 (P.L.1672, No.213), known as the Alternative Energy Portfolio Standards Act, is amended and the section is amended by adding definitions to read:

Section 2. Definitions.

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

**"Deploy" or "deployment."** To install a renewable energy storage system through a variety of mechanisms, including utility procurement, customer installation methods or other processes.

**"Renewable energy storage system."** A commercially available technology, including, but not limited to, any electrochemical, thermal and electromechanical technology, that is capable of absorbing and storing electrical energy for a period of time for use at a later time, with all of the following characteristics:

(1) The system is colocated behind the meter with a Tier I alternative energy source or behind the point of interconnection of a Tier I alternative energy source.

(2) The system is owned or operated by any of the following:

(i) A customer-generator.

(ii) An electric generation supplier.

(iii) An electric distribution company.

(iv) A third party that is jointly owned by two or more entities specified under subparagraphs (i), (ii) and (iii).

(3) The system is able to demonstrate that the energy the system discharges at all hours in a given reporting year comes from the storage of electrical energy produced by the colocated Tier I alternative energy source.

["Reporting period."] **"Reporting period or reporting year."** The 12-month period from June 1 through May 31. A reporting year shall be numbered according to the calendar year in which it

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begins and ends.

* * *

Section 2. Section 3(a)(3), (b), (f) and (g)(2) of the act are amended and the section is amended by adding a subsection to read:

Section 3. Alternative energy portfolio standards.

(a) General compliance and cost recovery.--

* * *

(3) All costs for:

(i) the purchase of electricity generated from alternative energy sources, including the costs of the regional transmission organization, in excess of the regional transmission organization real-time locational marginal pricing, or its successor, at the delivery point of the alternative energy source for the electrical production of the alternative energy sources; and

(ii) payments for alternative energy credits, in both cases that are voluntarily acquired by an electric distribution company during the cost recovery period on behalf of its customers shall be deferred as a regulatory asset by the electric distribution company and fully recovered, with a return on the unamortized balance, pursuant to an automatic energy adjustment clause under 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments) as a cost of generation supply under 66 Pa.C.S. § 2807 (relating to duties of electric distribution companies) in the first year after the expiration of its cost-recovery period. After the cost-recovery period, any direct or indirect costs for the purchase by electric distribution companies of resources...
to comply with this section, including, but not limited
to, the purchase of electricity generated from
alternative energy sources, payments for alternative
ing energy credits, cost of credits banked, payments to any
third party administrators for performance under this act
and costs levied by a regional transmission organization
to ensure that alternative energy sources are reliable,
shall be recovered on a full and current basis pursuant
to an automatic energy adjustment clause under 66 Pa.C.S.
§ 1307 as a cost of generation supply under 66 Pa.C.S. §
2807.

(b) Tier I and solar photovoltaic shares through the 15th
reporting year.--

(1) Two years after the effective date of this act, at
least 1.5% of the electric energy sold by an electric
distribution company or electric generation supplier to
retail electric customers in this Commonwealth shall be
generated from Tier I alternative energy sources. Except as
provided in this section, the minimum percentage of electric
energy required to be sold to retail electric customers from
alternative energy sources shall increase to 2% three years
after the effective date of this act. The minimum percentage
of electric energy required to be sold to retail electric
customers from alternative energy sources shall increase by
at least 0.5% each year so that at least 8% of the electric
energy sold by an electric distribution company or electric
generation supplier to retail electric customers in that
certificated territory in the 15th reporting year after the
effective date of this subsection is sold from Tier I
alternative energy resources.

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(2) Through the 15th reporting year ending May 31, 2023, the total percentage of the electric energy sold by an electric distribution company or electric generation supplier to retail electric customers in this Commonwealth that must be sold from solar photovoltaic technologies is:

(i) 0.0013% for June 1, 2006, through May 31, 2007.
(ii) 0.0030% for June 1, 2007, through May 31, 2008.
(iii) 0.0063% for June 1, 2008, through May 31, 2009.
(iv) 0.0120% for June 1, 2009, through May 31, 2010.
(v) 0.0203% for June 1, 2010, through May 31, 2011.
(vi) 0.0325% for June 1, 2011, through May 31, 2012.
(vii) 0.0510% for June 1, 2012, through May 31, 2013.
(viii) 0.0840% for June 1, 2013, through May 31, 2014.
(ix) 0.1440% for June 1, 2014, through May 31, 2015.
(x) 0.2500% for June 1, 2015, through May 31, 2016.
(xi) 0.2933% for June 1, 2016, through May 31, 2017.
(xii) 0.3400% for June 1, 2017, through May 31, 2018.
(xiii) 0.3900% for June 1, 2018, through May 31, 2019.
(xiv) 0.4433% for June 1, 2019, through May 31, 2020.
(xv) 0.5000% for June 1, 2020, [and thereafter] through May 31, 2023.

(3) Upon commencement of the beginning of the 6th reporting year, the commission shall undertake a review of the compliance by electric distribution companies and
electric generation suppliers with the requirements of this act. The review shall also include the status of alternative energy technologies within this Commonwealth and the capacity to add additional alternative energy resources. [The commission shall use the results of this review to recommend to the General Assembly additional compliance goals beyond year 15.] The commission shall work with the department in evaluating the future alternative energy resource potential. (b.1) Tier I and solar photovoltaic shares beginning in the 16th reporting year.-- (1) Each electric distribution company and electric generation supplier shall purchase, at a minimum, an amount of Tier I alternative energy credits equal to the percentage of electric energy required to be sold by an electric distribution company or electric generation supplier to retail electric customers from Tier I alternative energy sources for that reporting year and as provided under this subsection. Beginning in the 16th reporting year commencing on June 1, 2023, the minimum percentage of electric energy required to be sold by an electric distribution company or electric generation supplier to retail electric customers in this Commonwealth from Tier I alternative energy sources for each reporting year is:

   (i) 12.888% for June 1, 2023, through May 31, 2024.
   (ii) 15.332% for June 1, 2024, through May 31, 2025.
   (iii) 17.776% for June 1, 2025, through May 31, 2026.
   (iv) 20.220% for June 1, 2026, through May 31, 2027.
   (v) 22.664% for June 1, 2027, through May 31, 2028.
   (vi) 25.108% for June 1, 2028, through May 31, 2029.
(vii) 27.552% for June 1, 2029, through May 31, 2030.

(viii) 30% for June 1, 2030, through May 31, 2031.

(2) (i) Beginning in the 16th reporting year commencing on June 1, 2023, the minimum percentage of the electric energy sold by an electric distribution company or electric generation supplier to retail electric customers in this Commonwealth that must be sold from solar photovoltaic technologies that are owned and operated by customer-generators is:

(A) 0.82% for June 1, 2023, through May 31, 2024.

(B) 0.98% for June 1, 2024, through May 31, 2025.

(C) 1.13% for June 1, 2025, through May 31, 2026.

(D) 1.30% for June 1, 2026, through May 31, 2027.

(E) 1.5% for June 1, 2027, through May 31, 2028.

(F) 1.78% for June 1, 2028, through May 31, 2029.

(G) 2.11% for June 1, 2029, through May 31, 2030.

(H) 2.5% for June 1, 2030, through May 31, 2031.

(ii) For purposes of the requirements under subparagraph (i), solar photovoltaic technologies that are owned and operated by customer-generators shall include any of the following:

(A) Solar photovoltaic technologies that were certified before or on May 31, 2023, under subsection 20210SB0300PN0620.
(b)(2) and qualify to generate solar alternative
energy credits in accordance with section 3.1.

(B) Solar photovoltaic technologies that qualify
as customer-generators certified under subsection (b)
(2).

(3) Beginning in the 16th reporting year commencing on
June 1, 2023, and each reporting year thereafter, a solar
photovoltaic system that is certified before or on May 31,
2023, provided the system meets the requirements under
section 3.1, shall be included in the percentage of the
required solar photovoltaic energy systems owned and operated
by customer-generators under paragraph (2).

(4) A solar photovoltaic energy system owned and
operated by a customer-generator in accordance with paragraph
(2) shall remain eligible to receive solar alternative energy
credits for no more than 15 years beginning on June 1, 2023,
or 15 years beginning on the date of the solar photovoltaic
energy system's certification if the certification occurs
after June 1, 2023. Upon expiration of the 15-year period
specified under this paragraph, the solar photovoltaic energy
system shall be eligible for alternative energy credits
provided for Tier I alternative energy sources under
paragraph (1).

(5) Beginning in the 16th reporting year commencing on
June 1, 2023, the minimum percentage of the electric energy
sold by an electric distribution company or electric
generation supplier to retail electric customers in this
Commonwealth that must be sold from solar photovoltaic
technologies from non-customer-generators is:

(i) 1.88% for June 1, 2023, through May 31, 2024.
(ii) 2.81% for June 1, 2024, through May 31, 2025.
(iii) 3.75% for June 1, 2025, through May 31, 2026.
(iv) 4.50% for June 1, 2026, through May 31, 2027.
(v) 5.25% for June 1, 2027, through May 31, 2028.
(vi) 6.00% for June 1, 2028, through May 31, 2029.
(vii) 6.75% for June 1, 2029, through May 31, 2030.
(viii) 7.5% for June 1, 2030, through May 31, 2031.

(6) No later than one year after the effective date of this subsection, the commission shall establish regulations to ensure diversification across all customer-generators under paragraph (2), including, but not limited to, solar photovoltaic systems that are interconnected at residential or commercial locations or customer-generators whose systems are for virtual meter aggregation.

(7) This subsection shall not apply to the certification of a solar photovoltaic energy system with a contract for the sale and purchase of alternative energy credits derived from solar photovoltaic energy sources entered into before or on May 31, 2023, provided that the system meets the requirements under section 3.1.

(8) This subsection shall apply to a contract for the sale and purchase of alternative energy credits derived from solar photovoltaic energy sources entered into or renewed for reporting years commencing after May 31, 2023.

* * *

(f) Alternative compliance payment.--

(1) At the end of each program reporting year, the program administrator shall provide a report to the commission and to each covered electric distribution company showing their status level of alternative energy acquisition.
(2) The commission shall conduct a review of each determination made under subsections (b), (b.1) and (c). If, after notice and hearing, the commission determines that an electric distribution company or electric generation supplier has failed to comply with subsections (b), (b.1) and (c), the commission shall impose an alternative compliance payment on that electric distribution company or electric generation supplier.

(3) Through May 31, 2023, the alternative compliance payment, with the exception of the solar photovoltaic share compliance requirement set forth in subsection (b)(2), shall be $45 times the number of additional alternative energy credits needed in order to comply with subsection (b) or (c).

(4) Through May 31, 2023, the alternative compliance payment for the solar photovoltaic share required under subsection (b)(2) shall be 200% of the average market value of solar renewable energy credits sold during the reporting period within the service region of the regional transmission organization, including, where applicable, the levelized up-front rebates received by sellers of solar [renewable] alternative energy credits in other jurisdictions in the PJM Interconnection, L.L.C. transmission organization (PJM) or its successor.

(4.1) Beginning June 1, 2023, the alternative compliance payment, with the exception of the customer-generator solar photovoltaic share compliance requirement specified under subsection (b.1)(2), shall be $45 multiplied by the number of additional alternative energy credits needed in order to comply with subsection (b.1) or (c).
(4.2) Beginning June 1, 2023, the alternative compliance payment for the customer-generator solar photovoltaic share compliance requirement specified under subsection (b.1)(2) shall be as follows:

(i) An amount equal to the product of $125 multiplied by the number of additional alternative energy credits required to comply with subsection (b.1)(2) from June 1, 2023, through May 31, 2028.

(ii) An amount equal to the product of $100 multiplied by the number of additional alternative energy credits required to comply with subsection (b.1)(2) from June 1, 2028, through May 31, 2032.

(iii) Beginning with the reporting year commencing on June 1, 2032, and each reporting year thereafter, the alternative compliance payment required for solar photovoltaic energy systems under subsection (b.1)(2) shall decrease by $5 from the previous reporting year until the alternative compliance payment is $45.

(5) The commission shall establish a process to provide for, at least annually, a review of the alternative energy market within this Commonwealth and the service territories of the regional transmission organizations that manage the transmission system in any part of this Commonwealth. The commission will use the results of this study to identify any needed changes to the cost associated with the alternative compliance payment program. If the commission finds that the costs associated with the alternative compliance payment program must be changed, the commission shall present these findings to the General Assembly for legislative enactment.
(g) Transfer [to sustainable development funds] of 
alternative compliance payments.--

* * *

(2) The alternative compliance payments shall be 
utilized solely for [projects] any of the following:

(i) Projects that will increase the amount of 
electric energy generated from alternative energy 
resources for purposes of compliance with subsections 
(b), (b.1) and (c).

(ii) Workforce development programs to train workers 
in renewable energy industries.

* * *

Section 3. The act is amended by adding sections to read:
Section 3.1. Solar photovoltaic technology requirements.

(a) System requirements.--Notwithstanding section 4, in 
order to qualify as an alternative energy source eligible to 
meet the solar photovoltaic share of the compliance requirements 
under section 3, a solar photovoltaic system must do one of the 
following:

(1) Directly deliver the electricity that the solar 
photovoltaic system generates to a retail customer of an 
electric distribution company or to the distribution system 
operated by an electric distribution company operating in 
this Commonwealth and currently obligated to meet the 
compliance requirements specified under section 3.

(2) Directly connect to the electric system of an 
electric cooperative or municipal electric system operating 
in this Commonwealth.

(3) Directly connect to the electric transmission system 
at a location within the service territory of an electric
distribution company operating in this Commonwealth.

(b) Construction.--

(1) Nothing under this section or section 4 shall be construed to affect any of the following:

(i) A certification originating in this Commonwealth and granted before the effective date of this section of a solar photovoltaic energy generator as a qualifying alternative energy source eligible to meet the solar photovoltaic share of this Commonwealth's alternative energy portfolio compliance requirements under section 3.

(ii) A certification of a solar photovoltaic system with a binding written contract for the sale and purchase of alternative energy credits derived from solar photovoltaic energy sources entered into before October 30, 2019.

(2) This section shall apply to contracts entered into or renewed on or after October 30, 2019.

Section 3.2. Contract requirements for solar photovoltaic energy system sources.

(a) Low-cost procurement for non-customer-generators.--

(1) To assure the lowest-cost procurement, two-thirds of the annual total percentage requirement from solar photovoltaic sources as specified under section 3(b.1)(5) shall be procured through contracts of no less than 12 years and no more than 20 years for both energy and alternative energy credits required under this subsection. Energy procured to satisfy the requirements of this subsection may not be used to satisfy the procurement requirement under subsection (b).

(2) An electric distribution company with more than one
million annual megawatt hours of retail load shall:

(i) procure energy and alternative energy credits based on the total electric energy sold to all customers in the electric distribution company's service territory, without regard to whether the supplier of the retail sales is the electric distribution company or an electric generation supplier;

(ii) issue annual requests for proposals for competitive long-term procurement of solar energy and alternative energy credits and enter into contracts in compliance with this subsection in accordance with regulations established by the commission; and

(iii) be entitled to a presumption of prudency and full cost recovery in distribution rates of payments for competitive procurements made under this subsection at a levelized price over the term of the contract of less than one-half of the applicable alternative compliance payment.

(3) For purposes of any true-up required under this subsection, the following apply:

(i) If contracts executed to meet the requirements of this section fail to deliver the quantities required in any given year, the electric distribution company shall procure alternative energy credits during the true-up period established under section 3(e)(5).

(ii) Electric generation suppliers in the territory of the electric distribution company shall not have an obligation to purchase alternative energy credits for the share of the requirements under this section and shall not be responsible for true-up or the payment of any
penalty for failure to comply with this section.

(4) No later than December 1, 2022, the commission shall establish regulations to implement the requirements under this subsection and provide for the issuance and execution of the first competitive procurement contracts for the supply of alternative energy credits beginning with the reporting year commencing on June 1, 2023. The regulations shall address, but not be limited to, all of the following:

(i) Competitive contract procurement.
(ii) Alternative energy credit retirement.
(iii) Guidance on the prudency of proposed purchases, including a presumption of prudence if the annualized cost of alternative energy credits is less than one-half of the applicable alternative compliance payment.
(iv) Competitiveness review using standard industry practices to ensure that each solicitation is competitive and providing for the prompt reissuance of a solicitation deemed to be uncompetitive.
(v) Cost recovery for electric distribution companies for prudent and competitive contracts.
(vi) Alternative energy credit true-up of procurement shortfalls in subsequent year contract procurements.

(b) Low-cost procurement for Tier I resources.--

(1) No later than December 1, 2022, the commission shall establish regulations providing for competitive procurement of at least one-sixth of the Tier I alternative energy required under section 3(b.1)(1), except for energy procured under subsection (a), under contracts with a term of no less
than 10 years and no more than 15 years beginning with the reporting year commencing on June 1, 2023. The competitive procurements under this subsection shall result in contracts for both energy and alternative energy credits for Tier I alternative energy resources for the purpose of satisfying the requirements under section (3)(b.1)(1). The requirements under this paragraph shall not apply to the solar photovoltaic share requirements under section 3(b.1)(2) or (5).

(2) In establishing regulations under paragraph (1), the commission shall collaborate with stakeholders, including, but not limited to, the department, energy generation suppliers, renewable energy developers and electric distribution companies, and determine the benefit to electric customers in this Commonwealth based on the following factors:

(i) The savings to electric customers resulting from the procurement of alternative energy credits under this section.

(ii) The preference for new generation resources with reduced emissions as determined by the department.

(iii) The parties to the contracts.

(iv) The design of the competitive procurement process.

(v) The terms to be included in the contracts based on commercial reasonableness for the parties to the contracts.

Section 3.3. Renewable energy storage report.

(a) Report.--No later than one year after the effective date of this section, the commission, in consultation with the PJM...
Interconnection, L.L.C. transmission organization (PJM) or its successor and stakeholders, including, but not limited to, third-party electric generation suppliers and electric utilities, shall conduct a renewable energy storage analysis and submit a report to the Governor and General Assembly concerning renewable energy storage needs and opportunities and costs and benefits in this Commonwealth.

(b) Contract.--The commission shall contract with an independent consultant selected through a competitive request for proposal process to produce the report under this section.

(c) Report.--At a minimum, the commission shall compile the report in the following manner:

(1) Use 2,000 megawatt hours of renewable energy storage as a benchmark target goal.

(2) Identify and measure the potential costs and benefits of deployment based on all of the following factors:

(i) Deferred investments in generation, transmission and distribution facilities.

(ii) Reduced ancillary services costs.

(iii) Reduced transmission and distribution congestion.

(iv) Reduced peak power costs and capacity costs.

(v) Reduced costs for emergency power supplies during outages.

(vi) Curtailment of nonrenewable energy generators to meet peak demand.

(vii) Reduced greenhouse gas emissions.

(3) Analyze and estimate all of the following:

(i) The ability to integrate renewable energy resources with energy storage systems.
(ii) The benefits of coupling the storage to meet peak demand.
(iii) The impact of renewable energy storage on grid reliability and power quality.
(iv) The impact on retail electric rates over the useful life of a renewable energy storage system compared to the same services using other facilities or resources.
(4) Consider whether the implementation of renewable electric energy storage systems would promote the use of electric vehicles in this Commonwealth and the potential impact on renewable energy production in this Commonwealth.
(5) Analyze the types of renewable energy storage technologies currently being implemented in this Commonwealth and other states.
(6) Consider the benefits and costs to retail electric customers in this Commonwealth, political subdivisions and electric public utilities associated with the development and implementation of additional renewable energy storage technologies.
(7) Determine the optimal amount of renewable energy storage that should be added in this Commonwealth during the next five years to provide the maximum benefit to retail electric customers in this Commonwealth.
(8) Determine the optimum points of entry into the electric distribution system for distributed energy resources.
(9) Calculate the cost to retail electric customers in this Commonwealth of adding the optimal amount of renewable energy storage.
Section 3.4. Energy storage deployment targets.
(a) Determination.--No later than 90 days after completion of the report under section 3.3, the commission shall determine appropriate energy storage deployment targets that each electric distribution company needs to achieve by December 31, 2027, including any interim targets. In making the determination, the commission shall consider all of the following:

(1) The contents of the report under section 3.3.

(2) Adopting specific subcategories of deployment by point of interconnection.

(3) Adopting requirements or processes for all of the following:

   (i) The competitive deployment of energy storage services from third parties.

   (ii) The direct purchase of storage devices.

(4) Appropriate accountability mechanisms, including reporting requirements, for investor-owned electric utilities to procure energy storage in sufficient quantities to meet the targets established by the commission.

(5) If advised by the report under section 3.3, creating a renewable peak standard that would set targets for meeting peak demand with renewable energy collocated with storage, including all of the following:

   (i) Demand response technology or energy storage that is paired solely with a Tier I alternative energy source that generates, dispatches or discharges energy to an electric distribution system during seasonal peak periods as determined by the commission or reduce load on the system.

   (ii) Renewable energy storage systems that can be collocated with the Tier I alternative energy sources or
paired virtually, as long as the storage facility is
within the boundaries of the same electric distribution
company's service territory and specifically located to
reduce peak demand.

(b) Definitions.--As used in this section, the term
"procure" shall mean to acquire by ownership a renewable
energy storage system or a contractual right to use the energy
from, or the capacity of, a renewable energy storage system.

Section 3.5. Contracts for solar photovoltaic technologies by
Commonwealth agencies.

(a) Public works.--Except as provided under subsection (b),
a Commonwealth agency shall require that a contract for the
construction, reconstruction, alteration, repair, improvement or
maintenance of public works contain a provision that, if any
solar photovoltaic technologies are to be used or supplied in
the performance of the contract, only solar photovoltaic
technologies manufactured in the United States shall be used or
supplied in the performance of the contract or any subcontracts
under the contract.

(b) Exception.--The requirement under subsection (a) shall
not apply if the head of the Commonwealth agency, in writing,
determines that the solar photovoltaic technologies are not
manufactured in the United States in sufficient quantities to
meet the requirements of the contract.

(c) Definitions.--As used in this section, the term "public
work" shall have the same meaning given to it in section 2(5) of
the act of August 15, 1961 (P.L.987, No.442), known as the
Pennsylvania Prevailing Wage Act.

Section 4. Section 4 of the act is amended to read:
Section 4. Portfolio requirements in other states.
If an electric distribution [supplier] company or electric generation [company] supplier provider sells electricity in any other state and is subject to [renewable] alternative energy portfolio requirements in that state, they shall list any such requirement and shall indicate how it satisfied those [renewable] alternative energy portfolio requirements. To prevent double-counting, the electric distribution [supplier] company or electric generation [company] supplier shall not satisfy Pennsylvania's alternative energy portfolio requirements using alternative energy used to satisfy another state's portfolio requirements or alternative energy credits already purchased by individuals, businesses or government bodies that do not have a compliance obligation under this act unless the individual, business or government body sells those credits to the electric distribution company or electric generation supplier. Energy derived from alternative energy sources inside the geographical boundaries of this Commonwealth shall be eligible to meet the compliance requirements under this act. Energy derived from alternative energy sources located outside the geographical boundaries of this Commonwealth but within the service territory of a regional transmission organization that manages the transmission system in any part of this Commonwealth shall only be eligible to meet the compliance requirements of electric distribution companies or electric generation suppliers located within the service territory of the same regional transmission organization. For purposes of compliance with this act, alternative energy sources located in the PJM Interconnection, L.L.C. regional transmission organization (PJM) or its successor service territory shall be eligible to fulfill compliance obligations of all Pennsylvania electric distribution
companies and electric generation suppliers. Energy derived from alternative energy sources located outside the service territory of a regional transmission organization that manages the transmission system in any part of this Commonwealth shall not be eligible to meet the compliance requirements of this act. Electric distribution companies and electric generation suppliers shall document that this energy was not used to satisfy another state's renewable alternative energy portfolio standards.

Section 5. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of section 3.1 of the act.

(2) Section 2804 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, is repealed.

Section 6. This act shall take effect immediately.