
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

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 alternative energy
9 portfolio standards, providing for solar photovoltaic
10 technology requirements, for contract requirements for solar
11 photovoltaic energy system sources, for renewable energy
12 storage report, for energy storage deployment targets and for
13 contracts for solar photovoltaic technologies by Commonwealth
14 agencies and further providing for portfolio requirements in
15 other states; and making a related repeal.

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

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

22 Section 2. Definitions.

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

1 context clearly indicates otherwise:

2 * * *

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

7 * * *

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

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

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

18 (i) A customer-generator.

19 (ii) An electric generation supplier.

20 (iii) An electric distribution company.

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

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

28 ["Reporting period."] "Reporting period or reporting year."

29 The 12-month period from June 1 through May 31. A reporting year
30 shall be numbered according to the calendar year in which it

1 begins and ends.

2 * * *

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

6 Section 3. Alternative energy portfolio standards.

7 (a) General compliance and cost recovery.--

8 * * *

9 (3) All costs for:

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

17 (ii) payments for alternative energy credits, in
18 both cases that are voluntarily acquired by an electric
19 distribution company during the cost recovery period on
20 behalf of its customers shall be deferred as a regulatory
21 asset by the electric distribution company and fully
22 recovered, with a return on the unamortized balance,
23 pursuant to an automatic energy adjustment clause under
24 66 Pa.C.S. § 1307 (relating to sliding scale of rates;
25 adjustments) as a cost of generation supply under 66
26 Pa.C.S. § 2807 (relating to duties of electric
27 distribution companies) in the first year after the
28 expiration of its cost-recovery period. After the cost-
29 recovery period, any direct or indirect costs for the
30 purchase by electric distribution companies of resources

1 to comply with this section, including, but not limited
2 to, the purchase of electricity generated from
3 alternative energy sources, payments for alternative
4 energy credits, cost of credits banked, payments to any
5 third party administrators for performance under this act
6 and costs levied by a regional transmission organization
7 to ensure that alternative energy sources are reliable,
8 shall be recovered on a full and current basis pursuant
9 to an automatic energy adjustment clause under 66 Pa.C.S.
10 § 1307 as a cost of generation supply under 66 Pa.C.S. §
11 2807.

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

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

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

6 (i) 0.0013% for June 1, 2006, through May 31, 2007.

7 (ii) 0.0030% for June 1, 2007, through May 31, 2008.

8 (iii) 0.0063% for June 1, 2008, through May 31,
9 2009.

10 (iv) 0.0120% for June 1, 2009, through May 31, 2010.

11 (v) 0.0203% for June 1, 2010, through May 31, 2011.

12 (vi) 0.0325% for June 1, 2011, through May 31, 2012.

13 (vii) 0.0510% for June 1, 2012, through May 31,
14 2013.

15 (viii) 0.0840% for June 1, 2013, through May 31,
16 2014.

17 (ix) 0.1440% for June 1, 2014, through May 31, 2015.

18 (x) 0.2500% for June 1, 2015, through May 31, 2016.

19 (xi) 0.2933% for June 1, 2016, through May 31, 2017.

20 (xii) 0.3400% for June 1, 2017, through May 31,
21 2018.

22 (xiii) 0.3900% for June 1, 2018, through May 31,
23 2019.

24 (xiv) 0.4433% for June 1, 2019, through May 31,
25 2020.

26 (xv) 0.5000% for June 1, 2020, [and thereafter.]
27 through May 31, 2023.

28 (3) Upon commencement of the beginning of the 6th
29 reporting year, the commission shall undertake a review of
30 the compliance by electric distribution companies and

1 electric generation suppliers with the requirements of this
2 act. The review shall also include the status of alternative
3 energy technologies within this Commonwealth and the capacity
4 to add additional alternative energy resources. [The
5 commission shall use the results of this review to recommend
6 to the General Assembly additional compliance goals beyond
7 year 15.] The commission shall work with the department in
8 evaluating the future alternative energy resource potential.

9 (b.1) Tier I and solar photovoltaic shares beginning in the
10 16th reporting year.--

11 (1) Each electric distribution company and electric
12 generation supplier shall purchase, at a minimum, an amount
13 of Tier I alternative energy credits equal to the percentage
14 of electric energy required to be sold by an electric
15 distribution company or electric generation supplier to
16 retail electric customers from Tier I alternative energy
17 sources for that reporting year and as provided under this
18 subsection. Beginning in the 16th reporting year commencing
19 on June 1, 2023, the minimum percentage of electric energy
20 required to be sold by an electric distribution company or
21 electric generation supplier to retail electric customers in
22 this Commonwealth from Tier I alternative energy sources for
23 each reporting year is:

24 (i) 12.888% for June 1, 2023, through May 31, 2024.

25 (ii) 15.332% for June 1, 2024, through May 31, 2025.

26 (iii) 17.776% for June 1, 2025, through May 31,
27 2026.

28 (iv) 20.220% for June 1, 2026, through May 31, 2027.

29 (v) 22.664% for June 1, 2027, through May 31, 2028.

30 (vi) 25.108% for June 1, 2028, through May 31, 2029.

1 (vii) 27.552% for June 1, 2029, through May 31,
2 2030.

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

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

11 (A) 0.82% for June 1, 2023, through May 31,
12 2024.

13 (B) 0.98% for June 1, 2024, through May 31,
14 2025.

15 (C) 1.13% for June 1, 2025, through May 31,
16 2026.

17 (D) 1.30% for June 1, 2026, through May 31,
18 2027.

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

20 (F) 1.78% for June 1, 2028, through May 31,
21 2029.

22 (G) 2.11% for June 1, 2029, through May 31,
23 2030.

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

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

29 (A) Solar photovoltaic technologies that were
30 certified before or on May 31, 2023, under subsection

1 (b) (2) and qualify to generate solar alternative
2 energy credits in accordance with section 3.1.

3 (B) Solar photovoltaic technologies that qualify
4 as customer-generators certified under subsection (b)
5 (2).

6 (3) Beginning in the 16th reporting year commencing on
7 June 1, 2023, and each reporting year thereafter, a solar
8 photovoltaic system that is certified before or on May 31,
9 2023, provided the system meets the requirements under
10 section 3.1, shall be included in the percentage of the
11 required solar photovoltaic energy systems owned and operated
12 by customer-generators under paragraph (2).

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

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

30 (i) 1.88% for June 1, 2023, through May 31, 2024.

- 1 (ii) 2.81% for June 1, 2024, through May 31, 2025.
2 (iii) 3.75% for June 1, 2025, through May 31, 2026.
3 (iv) 4.50% for June 1, 2026, through May 31, 2027.
4 (v) 5.25% for June 1, 2027, through May 31, 2028.
5 (vi) 6.00% for June 1, 2028, through May 31, 2029.
6 (vii) 6.75% for June 1, 2029, through May 31, 2030.
7 (viii) 7.5% for June 1, 2030, through May 31, 2031.

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

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

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

25 * * *

26 (f) Alternative compliance payment.--

27 (1) At the end of each program reporting year, the
28 program administrator shall provide a report to the
29 commission and to each covered electric distribution company
30 showing their status level of alternative energy acquisition.

1 (2) The commission shall conduct a review of each
2 determination made under subsections (b), (b.1) and (c). If,
3 after notice and hearing, the commission determines that an
4 electric distribution company or electric generation supplier
5 has failed to comply with subsections (b), (b.1) and (c), the
6 commission shall impose an alternative compliance payment on
7 that electric distribution company or electric generation
8 supplier.

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

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

25 (4.1) Beginning June 1, 2023, the alternative compliance
26 payment, with the exception of the customer-generator solar
27 photovoltaic share compliance requirement specified under
28 subsection (b.1) (2), shall be \$45 multiplied by the number of
29 additional alternative energy credits needed in order to
30 comply with subsection (b.1) or (c).

1 (4.2) Beginning June 1, 2023, the alternative compliance
2 payment for the customer-generator solar photovoltaic share
3 compliance requirement specified under subsection (b.1)(2)
4 shall be as follows:

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

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

13 (iii) Beginning with the reporting year commencing
14 on June 1, 2032, and each reporting year thereafter, the
15 alternative compliance payment required for solar
16 photovoltaic energy systems under subsection (b.1)(2)
17 shall decrease by \$5 from the previous reporting year
18 until the alternative compliance payment is
19 \$45.

20 (5) The commission shall establish a process to provide
21 for, at least annually, a review of the alternative energy
22 market within this Commonwealth and the service territories
23 of the regional transmission organizations that manage the
24 transmission system in any part of this Commonwealth. The
25 commission will use the results of this study to identify any
26 needed changes to the cost associated with the alternative
27 compliance payment program. If the commission finds that the
28 costs associated with the alternative compliance payment
29 program must be changed, the commission shall present these
30 findings to the General Assembly for legislative enactment.

1 (g) Transfer [to sustainable development funds] of
2 alternative compliance payments.--

3 * * *

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

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

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

12 * * *

13 Section 3. The act is amended by adding sections to read:

14 Section 3.1. Solar photovoltaic technology requirements.

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

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

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

29 (3) Directly connect to the electric transmission system
30 at a location within the service territory of an electric

1 distribution company operating in this Commonwealth.

2 (b) Construction.--

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

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

11 (ii) A certification of a solar photovoltaic system
12 with a binding written contract for the sale and purchase
13 of alternative energy credits derived from solar
14 photovoltaic energy sources entered into before October
15 30, 2019.

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

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

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

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

30 (2) An electric distribution company with more than one

1 million annual megawatt hours of retail load shall:

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

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

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

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

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

26 (ii) Electric generation suppliers in the territory
27 of the electric distribution company shall not have an
28 obligation to purchase alternative energy credits for the
29 share of the requirements under this section and shall
30 not be responsible for true-up or the payment of any

1 penalty for failure to comply with this section.

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

9 (i) Competitive contract procurement.

10 (ii) Alternative energy credit retirement.

11 (iii) Guidance on the prudence of proposed
12 purchases, including a presumption of prudence if the
13 annualized cost of alternative energy credits is less
14 than one-half of the applicable alternative compliance
15 payment.

16 (iv) Competitiveness review using standard industry
17 practices to ensure that each solicitation is competitive
18 and providing for the prompt reissuance of a solicitation
19 deemed to be uncompetitive.

20 (v) Cost recovery for electric distribution
21 companies for prudent and competitive contracts.

22 (vi) Alternative energy credit true-up of
23 procurement shortfalls in subsequent year contract
24 procurements.

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

26 (1) No later than December 1, 2022, the commission shall
27 establish regulations providing for competitive procurement
28 of at least one-sixth of the Tier I alternative energy
29 required under section 3(b.1)(1), except for energy procured
30 under subsection (a), under contracts with a term of no less

1 than 10 years and no more than 15 years beginning with the
2 reporting year commencing on June 1, 2023. The competitive
3 procurements under this subsection shall result in contracts
4 for both energy and alternative energy credits for Tier I
5 alternative energy resources for the purpose of satisfying
6 the requirements under section (3)(b.1)(1). The requirements
7 under this paragraph shall not apply to the solar
8 photovoltaic share requirements under section 3(b.1)(2) or
9 (5).

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

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

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

22 (iii) The parties to the contracts.

23 (iv) The design of the competitive procurement
24 process.

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

28 Section 3.3. Renewable energy storage report.

29 (a) Report.--No later than one year after the effective date
30 of this section, the commission, in consultation with the PJM

1 Interconnection, L.L.C. transmission organization (PJM) or its
2 successor and stakeholders, including, but not limited to,
3 third-party electric generation suppliers and electric
4 utilities, shall conduct a renewable energy storage analysis and
5 submit a report to the Governor and General Assembly concerning
6 renewable energy storage needs and opportunities and costs and
7 benefits in this Commonwealth.

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

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

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

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

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

19 (ii) Reduced ancillary services costs.

20 (iii) Reduced transmission and distribution
21 congestion.

22 (iv) Reduced peak power costs and capacity costs.

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

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

27 (vii) Reduced greenhouse gas emissions.

28 (3) Analyze and estimate all of the following:

29 (i) The ability to integrate renewable energy
30 resources with energy storage systems.

1 (ii) The benefits of coupling the storage to meet
2 peak demand.

3 (iii) The impact of renewable energy storage on grid
4 reliability and power quality.

5 (iv) The impact on retail electric rates over the
6 useful life of a renewable energy storage system compared
7 to the same services using other facilities or resources.

8 (4) Consider whether the implementation of renewable
9 electric energy storage systems would promote the use of
10 electric vehicles in this Commonwealth and the potential
11 impact on renewable energy production in this Commonwealth.

12 (5) Analyze the types of renewable energy storage
13 technologies currently being implemented in this Commonwealth
14 and other states.

15 (6) Consider the benefits and costs to retail electric
16 customers in this Commonwealth, political subdivisions and
17 electric public utilities associated with the development and
18 implementation of additional renewable energy storage
19 technologies.

20 (7) Determine the optimal amount of renewable energy
21 storage that should be added in this Commonwealth during the
22 next five years to provide the maximum benefit to retail
23 electric customers in this Commonwealth.

24 (8) Determine the optimum points of entry into the
25 electric distribution system for distributed energy
26 resources.

27 (9) Calculate the cost to retail electric customers in
28 this Commonwealth of adding the optimal amount of renewable
29 energy storage.

30 Section 3.4. Energy storage deployment targets.

1 (a) Determination.--No later than 90 days after completion
2 of the report under section 3.3, the commission shall determine
3 appropriate energy storage deployment targets that each electric
4 distribution company needs to achieve by December 31, 2027,
5 including any interim targets. In making the determination, the
6 commission shall consider all of the following:

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

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

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

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

14 (ii) The direct purchase of storage devices.

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

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

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

29 (ii) Renewable energy storage systems that can be
30 colocated with the Tier I alternative energy sources or

1 paired virtually, as long as the storage facility is
2 within the boundaries of the same electric distribution
3 company's service territory and specifically located to
4 reduce peak demand.

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

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

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

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

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

29 Section 4. Section 4 of the act is amended to read:

30 Section 4. Portfolio requirements in other states.

1 If an electric distribution [supplier] company or electric
2 generation [company] supplier provider sells electricity in any
3 other state and is subject to [renewable] alternative energy
4 portfolio requirements in that state, they shall list any such
5 requirement and shall indicate how it satisfied those
6 [renewable] alternative energy portfolio requirements. To
7 prevent double-counting, the electric distribution [supplier]
8 company or electric generation [company] supplier shall not
9 satisfy Pennsylvania's alternative energy portfolio requirements
10 using alternative energy used to satisfy another state's
11 portfolio requirements or alternative energy credits already
12 purchased by individuals, businesses or government bodies that
13 do not have a compliance obligation under this act unless the
14 individual, business or government body sells those credits to
15 the electric distribution company or electric generation
16 supplier. Energy derived from alternative energy sources inside
17 the geographical boundaries of this Commonwealth shall be
18 eligible to meet the compliance requirements under this act.
19 Energy derived from alternative energy sources located outside
20 the geographical boundaries of this Commonwealth but within the
21 service territory of a regional transmission organization that
22 manages the transmission system in any part of this Commonwealth
23 shall only be eligible to meet the compliance requirements of
24 electric distribution companies or electric generation suppliers
25 located within the service territory of the same regional
26 transmission organization. For purposes of compliance with this
27 act, alternative energy sources located in the PJM
28 Interconnection, L.L.C. regional transmission organization (PJM)
29 or its successor service territory shall be eligible to fulfill
30 compliance obligations of all Pennsylvania electric distribution

1 companies and electric generation suppliers. Energy derived from
2 alternative energy sources located outside the service territory
3 of a regional transmission organization that manages the
4 transmission system in any part of this Commonwealth shall not
5 be eligible to meet the compliance requirements of this act.
6 Electric distribution companies and electric generation
7 suppliers shall document that this energy was not used to
8 satisfy another state's [renewable] alternative energy portfolio
9 standards.

10 Section 5. Repeals are as follows:

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

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

17 Section 6. This act shall take effect immediately.