
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 501 Session of
2021

INTRODUCED BY LAUGHLIN, HAYWOOD, SANTARSIERO, MENSCH AND
COMITTA, APRIL 9, 2021

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
APRIL 9, 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 energy storage
12 report, for energy storage deployment targets and for
13 contracts for solar photovoltaic technologies by Commonwealth
14 agencies; 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 "Deployment." To install an energy storage system through a
4 variety of mechanisms, including utility procurement, customer
5 installation methods or other processes.

6 * * *

7 "Energy storage system." A commercially available
8 technology, including, but not limited to, any electrochemical,
9 thermal and electromechanical technology, that is capable of
10 absorbing and storing electrical energy for any period of time
11 for use at a later time.

12 * * *

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

14 The 12-month period from June 1 through May 31. A reporting year
15 shall be numbered according to the calendar year in which it
16 begins and ends.

17 * * *

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

21 Section 3. Alternative energy portfolio standards.

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

23 * * *

24 (3) All costs for:

25 (i) the purchase of electricity generated from
26 alternative energy sources, including the costs of the
27 regional transmission organization, in excess of the
28 regional transmission organization real-time locational
29 marginal pricing, or its successor, at the delivery point
30 of the alternative energy source for the electrical

1 production of the alternative energy sources; and
2 (ii) payments for alternative energy credits, in
3 both cases that are voluntarily acquired by an electric
4 distribution company during the cost recovery period on
5 behalf of its customers shall be deferred as a regulatory
6 asset by the electric distribution company and fully
7 recovered, with a return on the unamortized balance,
8 pursuant to an automatic energy adjustment clause under
9 66 Pa.C.S. § 1307 (relating to sliding scale of rates;
10 adjustments) as a cost of generation supply under 66
11 Pa.C.S. § 2807 (relating to duties of electric
12 distribution companies) in the first year after the
13 expiration of its cost-recovery period. After the cost-
14 recovery period, any direct or indirect costs for the
15 purchase by electric distribution companies of resources
16 to comply with this section, including, but not limited
17 to, the purchase of electricity generated from
18 alternative energy sources, payments for alternative
19 energy credits, cost of credits banked, payments to any
20 third party administrators for performance under this act
21 and costs levied by a regional transmission organization
22 to ensure that alternative energy sources are reliable,
23 shall be recovered on a full and current basis pursuant
24 to an automatic energy adjustment clause under 66 Pa.C.S.
25 § 1307 as a cost of generation supply under 66 Pa.C.S. §
26 2807.

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

29 (1) Two years after the effective date of this act, at
30 least 1.5% of the electric energy sold by an electric

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

16 (2) [The] Through the 15th reporting year ending May 31,
17 2021, the total percentage of the electric energy sold by an
18 electric distribution company or electric generation supplier
19 to retail electric customers in this Commonwealth that must
20 be sold from solar photovoltaic technologies is:

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

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

23 (iii) 0.0063% for June 1, 2008, through May 31,

24 2009.

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

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

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

28 (vii) 0.0510% for June 1, 2012, through May 31,

29 2013.

30 (viii) 0.0840% for June 1, 2013, through May 31,

1 2014.
2 (ix) 0.1440% for June 1, 2014, through May 31, 2015.
3 (x) 0.2500% for June 1, 2015, through May 31, 2016.
4 (xi) 0.2933% for June 1, 2016, through May 31, 2017.
5 (xii) 0.3400% for June 1, 2017, through May 31,
6 2018.
7 (xiii) 0.3900% for June 1, 2018, through May 31,
8 2019.
9 (xiv) 0.4433% for June 1, 2019, through May 31,
10 2020.
11 (xv) 0.5000% for June 1, 2020, [and thereafter]
12 through May 31, 2021.

13 (3) Upon commencement of the beginning of the 6th
14 reporting year, the commission shall undertake a review of
15 the compliance by electric distribution companies and
16 electric generation suppliers with the requirements of this
17 act. The review shall also include the status of alternative
18 energy technologies within this Commonwealth and the capacity
19 to add additional alternative energy resources. [The
20 commission shall use the results of this review to recommend
21 to the General Assembly additional compliance goals beyond
22 year 15.] The commission shall work with the department in
23 evaluating the future alternative energy resource potential.

24 (b.1) Tier I and solar photovoltaic shares beginning in the
25 16th reporting year.--

26 (1) Each electric distribution company and electric
27 generation supplier shall purchase, at a minimum, an amount
28 of Tier I alternative energy credits equal to the percentage
29 of electric energy required to be sold by an electric
30 distribution company or electric generation supplier to

1 retail electric customers from Tier I alternative energy
2 sources for that reporting year and as provided under this
3 subsection. Beginning in the 16th reporting year commencing
4 on June 1, 2021, the minimum percentage of electric energy
5 required to be sold by an electric distribution company or
6 electric generation supplier to retail electric customers in
7 this Commonwealth from Tier I alternative energy sources for
8 each reporting year is:

9 (i) 10% for June 1, 2021, through May 31, 2022.

10 (ii) 12% for June 1, 2022, through May 31, 2023.

11 (iii) 14% for June 1, 2023, through May 31, 2024.

12 (iv) 16% for June 1, 2024, through May 31, 2025.

13 (v) 18% for June 1, 2025, through May 31, 2026, and
14 thereafter.

15 (2) An electric generation supplier with an existing
16 written supply contract in effect prior to the effective date
17 of this section shall be exempt from purchasing increased
18 Tier I alternative energy credits under this subsection for
19 the quantity of load supplied under the existing contract
20 until the supply contract expires. The limited exemption for
21 the quantity of load supplied under an existing contract
22 shall not lead to a reallocation of exempt load requirements
23 to any other electric generation supplier.

24 (3) (i) Beginning in the 16th reporting year commencing
25 on June 1, 2021, the minimum percentage of the electric
26 energy sold by an electric distribution company or
27 electric generation supplier to retail electric customers
28 in this Commonwealth that must be sold from solar
29 photovoltaic technologies that are owned and operated by
30 customer-generators is:

1 (A) 0.61% for June 1, 2021, through May 31,
2 2022.

3 (B) 0.75% for June 1, 2022, through May 31,
4 2023.

5 (C) 0.95% for June 1, 2023, through May 31,
6 2024.

7 (D) 1.25% for June 1, 2024, through May 31,
8 2025.

9 (E) 1.75% for June 1, 2025, through May 31,
10 2026, and thereafter.

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

15 (A) Solar photovoltaic technologies that were
16 certified before or on May 31, 2021, under subsection
17 (b)(2) and qualify to generate solar alternative
18 energy credits in accordance with section 3.1.

19 (B) Solar photovoltaic technologies that qualify
20 as customer-generators certified under subsection (b)
21 (2).

22 (iii) For purposes of the requirements under
23 subparagraphs (i) and (ii), for each year the total
24 aggregate customer-generator capacity of the systems that
25 qualify under this requirement must be interconnected on
26 the customer-generator's side of the utility meter with
27 the exception of systems that qualify under
28 subparagraph(ii) (A).

29 (4) Beginning in the 16th reporting year commencing on
30 June 1, 2021, and each reporting year thereafter, a solar

1 photovoltaic system that is certified before or on May 31,
2 2021, provided the system meets the requirements under
3 section 3.1, shall be included in the percentage of the
4 required solar photovoltaic energy systems owned and operated
5 by customer-generators under paragraph (2).

6 (5) A solar photovoltaic energy system owned and
7 operated by a customer-generator in accordance with paragraph
8 (2) shall remain eligible to receive solar alternative energy
9 credits for no more than 15 years beginning on June 1, 2021,
10 or 15 years beginning on the date of the solar photovoltaic
11 energy system's certification if the certification occurs
12 after June 1, 2021. Upon expiration of the 15-year period
13 specified under this paragraph, the solar photovoltaic energy
14 system shall be eligible for alternative energy credits
15 provided for Tier I alternative energy sources under
16 paragraph (1).

17 (6) Beginning in the 16th reporting year commencing on
18 June 1, 2021, the minimum percentage of the electric energy
19 sold by an electric distribution company or electric
20 generation supplier to retail electric customers in this
21 Commonwealth that must be sold from solar photovoltaic
22 technologies from non-customer-generators is:

- 23 (i) 0.65% for June 1, 2021, through May 31, 2022.
24 (ii) 1.35% for June 1, 2022, through May 31, 2023.
25 (iii) 2.10% for June 1, 2023, through May 31, 2024.
26 (iv) 2.90% for June 1, 2024, through May 31, 2025.
27 (v) 3.75% for June 1, 2025, through May 21, 2026,
28 and thereafter.

29 (7) This subsection shall not apply to the certification
30 of a solar photovoltaic energy system with a contract for the

1 sale and purchase of alternative energy credits derived from
2 solar photovoltaic energy sources entered into before or on
3 May 31, 2021, provided that the system meets the requirements
4 under section 3.1.

5 (8) This subsection shall apply to a contract for the
6 sale and purchase of alternative energy credits derived from
7 solar photovoltaic energy sources entered into or renewed for
8 reporting years commencing after May 31, 2021.

9 * * *

10 (f) Alternative compliance payment.--

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

15 (2) The commission shall conduct a review of each
16 determination made under subsections (b), (b.1) and (c). If,
17 after notice and hearing, the commission determines that an
18 electric distribution company or electric generation supplier
19 has failed to comply with subsections (b), (b.1) and (c), the
20 commission shall impose an alternative compliance payment on
21 that electric distribution company or electric generation
22 supplier.

23 (3) [The] Through May 31, 2021, the alternative
24 compliance payment, with the exception of the solar
25 photovoltaic share compliance requirement set forth in
26 subsection (b) (2), shall be \$45 times the number of
27 additional alternative energy credits needed in order to
28 comply with subsection (b) or (c).

29 (4) [The] Through May 31, 2021, the alternative
30 compliance payment for the solar photovoltaic share required

1 under subsection (b)(2) shall be 200% of the average market
2 value of solar renewable energy credits sold during the
3 reporting period within the service region of the regional
4 transmission organization, including, where applicable, the
5 levelized up-front rebates received by sellers of solar
6 [renewable] alternative energy credits in other jurisdictions
7 in the PJM Interconnection, L.L.C. transmission organization
8 (PJM) or its successor.

9 (4.1) Beginning with the reporting year commencing on
10 June 1, 2021, and each reporting year thereafter, the
11 alternative compliance payment, with the exception of the
12 customer-generator solar photovoltaic share compliance
13 requirement specified under subsection (b.1)(2), shall be \$45
14 multiplied by the number of additional alternative energy
15 credits needed in order to comply with subsection (b.1) or
16 (c).

17 (4.2) Beginning with the reporting year commencing on
18 June 1, 2026, and each reporting year thereafter, the
19 alternative compliance payment with the exception of the
20 customer-generator solar photovoltaic share compliance
21 requirement shall decrease by \$5 from the previous reporting
22 year until the alternative compliance payment is \$25 and
23 continues thereafter at \$25.

24 (4.3) Beginning June 1, 2021, the alternative compliance
25 payment for the customer-generator solar photovoltaic share
26 compliance requirement specified under subsection (b.1)(2)
27 shall be an amount equal to the product of \$125 multiplied by
28 the number of additional alternative energy credits required
29 to comply with subsection (b.1)(2) from June 1, 2021, through
30 May 31, 2026.

1 (4.4) Beginning with the reporting year commencing on
2 June 1, 2026, and each reporting year thereafter, the
3 alternative compliance payment required for the customer-
4 generator solar photovoltaic share compliance requirement
5 specified under subsection (b.1)(2)(i) shall decrease by \$5
6 from the previous reporting year until the alternative
7 compliance payment is \$40, and continues thereafter at \$40.

8 (5) The commission shall establish a process to provide
9 for, at least annually, a review of the alternative energy
10 market within this Commonwealth and the service territories
11 of the regional transmission organizations that manage the
12 transmission system in any part of this Commonwealth. The
13 commission will use the results of this study to identify any
14 needed changes to the cost associated with the alternative
15 compliance payment program. If the commission finds that the
16 costs associated with the alternative compliance payment
17 program must be changed, the commission shall present these
18 findings to the General Assembly for legislative enactment.

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

21 * * *

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

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

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

30 * * *

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

2 Section 3.1. Solar photovoltaic technology requirements.

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

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

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

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

20 (b) Construction.--

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

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

29 (ii) A certification of a solar photovoltaic system
30 with a binding written contract for the sale and purchase

1 of alternative energy credits derived from solar
2 photovoltaic energy sources entered into before October
3 30, 2017.

4 (2) This section shall apply to contracts entered into
5 or renewed on or after October 30, 2017.

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

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

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

18 (2) An electric distribution company with more than
19 1,000,000 annual megawatt hours of retail load shall:

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

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

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

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

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

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

20 (4) No later than December 1, 2021, the commission shall
21 establish regulations to implement the requirements under
22 this subsection and provide for the issuance and execution of
23 the first competitive procurement contracts for the supply of
24 alternative energy credits beginning with the reporting year
25 commencing on June 1, 2021. The regulations shall address,
26 but not be limited to, all of the following:

27 (i) Competitive contract procurement.

28 (ii) Alternative energy credit retirement.

29 (iii) Guidance on the prudence of proposed
30 purchases, including a presumption of prudence if the

1 annualized cost of alternative energy credits is less
2 than one-half of the applicable alternative compliance
3 payment.

4 (iv) Competitiveness review using standard industry
5 practices to ensure that each solicitation is competitive
6 and providing for the prompt reissuance of a solicitation
7 deemed to be uncompetitive.

8 (v) Cost recovery for electric distribution
9 companies for prudent and competitive contracts.

10 (vi) Alternative energy credit true-up of
11 procurement shortfalls in subsequent year contract
12 procurements.

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

14 (1) No later than December 1, 2021, the commission shall
15 establish regulations providing for competitive procurement
16 of at least one-sixth of the Tier I alternative energy
17 required under section 3(b.1)(1), except for energy procured
18 under subsection (a), under contracts with a term of no less
19 than 10 years and no more than 15 years beginning with the
20 reporting year commencing on June 1, 2022. The competitive
21 procurements under this subsection shall result in contracts
22 for both energy and alternative energy credits for Tier I
23 alternative energy resources for the purpose of satisfying
24 the requirements under section (3)(b.1)(1). The requirements
25 under this paragraph shall not apply to the solar
26 photovoltaic share requirements under section 3(b.1)(2) or
27 (5).

28 (2) In establishing regulations under paragraph (1), the
29 commission shall collaborate with stakeholders, including,
30 but not limited to, the department, energy generation

1 suppliers, renewable energy developers and electric
2 distribution companies, and determine the benefit to electric
3 customers in this Commonwealth based on the following
4 factors:

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

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

10 (iii) The parties to the contracts.

11 (iv) The design of the competitive procurement
12 process.

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

16 Section 3.3. Energy storage report.

17 (a) Report.--No later than one year after the effective date
18 of this section, the commission, in consultation with the PJM
19 Interconnection, L.L.C. regional transmission organization (PJM)
20 or its successor and stakeholders, including, but not limited
21 to, third-party electric generation suppliers and electric
22 utilities, shall conduct an energy storage analysis, including
23 pairing energy storage with Tier I resources, and submit a
24 report to the Governor and the General Assembly concerning
25 needs, opportunities, costs and benefits in this Commonwealth.

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

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

1 (1) Establish an energy storage capacity benchmark in
2 megawatts, including target goals for pairing energy storage
3 with Tier I resources.

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

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

8 (ii) Reduced ancillary services costs.

9 (iii) Reduced transmission and distribution
10 congestion.

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

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

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

16 (vii) Reduced greenhouse gas emissions.

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

18 (i) The ability to integrate renewable energy
19 resources with energy storage systems.

20 (ii) The benefits of coupling the storage to meet
21 peak demand.

22 (iii) The impact of energy storage on grid
23 reliability and power quality.

24 (iv) The impact on retail electric rates over the
25 useful life of an energy storage system compared to the
26 same services using other facilities or resources.

27 (4) Consider whether the implementation of energy
28 storage systems would promote the use of electric vehicles in
29 this Commonwealth and the potential impact on energy
30 production in this Commonwealth.

1 (5) Analyze the types of energy storage technologies
2 currently being implemented in this Commonwealth and other
3 states.

4 (6) Consider the benefits and costs to retail electric
5 customers in this Commonwealth, political subdivisions and
6 electric public utilities associated with the development and
7 implementation of additional energy storage technologies.

8 (7) Determine the optimal amount of energy storage
9 paired with Tier I resources that should be added in this
10 Commonwealth during the next five years to provide the
11 maximum benefit to retail electric customers in this
12 Commonwealth.

13 (8) Determine the optimum points of entry into the
14 electric distribution system for distributed energy
15 resources.

16 (9) Calculate the cost to retail electric customers in
17 this Commonwealth of adding the optimal amount of energy
18 storage.

19 Section 3.4. Energy storage deployment targets.

20 (a) Determination.--No later than 90 days after completion
21 of the report under section 3.3, the commission shall determine
22 appropriate energy storage deployment targets that each electric
23 distribution company needs to achieve by December 31, 2025,
24 including any interim targets. In making the determination, the
25 commission shall consider all of the following:

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

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

29 (3) Adopting requirements or processes for the
30 competitive deployment of energy storage services from third

1 parties.

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

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

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

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

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

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

28 (a) Public works.--Except as provided under subsection (b),
29 a Commonwealth agency shall require that a contract for the
30 construction, reconstruction, alteration, repair, improvement or

1 maintenance of public works contain a provision that, if any
2 solar photovoltaic technologies are to be used or supplied in
3 the performance of the contract, only solar photovoltaic
4 technologies manufactured in the United States shall be used or
5 supplied in the performance of the contract or any subcontracts
6 under the contract.

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

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

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

17 Section 4. Portfolio requirements in other states.

18 If an electric distribution [supplier] company or electric
19 generation [company] supplier provider sells electricity in any
20 other state and is subject to [renewable] alternative energy
21 portfolio requirements in that state, they shall list any such
22 requirement and shall indicate how it satisfied those
23 [renewable] alternative energy portfolio requirements. To
24 prevent double-counting, the electric distribution [supplier]
25 company or electric generation [company] supplier shall not
26 satisfy Pennsylvania's alternative energy portfolio requirements
27 using alternative energy used to satisfy another state's
28 portfolio requirements or alternative energy credits already
29 purchased by individuals, businesses or government bodies that
30 do not have a compliance obligation under this act unless the

1 individual, business or government body sells those credits to
2 the electric distribution company or electric generation
3 supplier. Energy derived from alternative energy sources inside
4 the geographical boundaries of this Commonwealth shall be
5 eligible to meet the compliance requirements under this act.
6 Energy derived from alternative energy sources located outside
7 the geographical boundaries of this Commonwealth but within the
8 service territory of a regional transmission organization that
9 manages the transmission system in any part of this Commonwealth
10 shall only be eligible to meet the compliance requirements of
11 electric distribution companies or electric generation suppliers
12 located within the service territory of the same regional
13 transmission organization. For purposes of compliance with this
14 act, alternative energy sources located in the PJM
15 Interconnection, L.L.C. regional transmission organization (PJM)
16 or its successor service territory shall be eligible to fulfill
17 compliance obligations of all Pennsylvania electric distribution
18 companies and electric generation suppliers. Energy derived from
19 alternative energy sources located outside the service territory
20 of a regional transmission organization that manages the
21 transmission system in any part of this Commonwealth shall not
22 be eligible to meet the compliance requirements of this act.
23 Electric distribution companies and electric generation
24 suppliers shall document that this energy was not used to
25 satisfy another state's [renewable] alternative energy portfolio
26 standards.

27 Section 5. Repeals are as follows:

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

1 (2) Section 2804 of the act of April 9, 1929 (P.L.177,
2 No.175), known as The Administrative Code of 1929, is
3 repealed.
4 Section 6. This act shall take effect immediately.