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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 919 Session of  
2021

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INTRODUCED BY LAUGHLIN, COSTA, HUGHES, SANTARSIERO, COLLETT,  
COMITTA, MENSCH, MUTH, FONTANA, BARTOLOTTA, STEFANO,  
L. WILLIAMS, SABATINA, ROBINSON AND AUMENT, OCTOBER 25, 2021

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REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,  
OCTOBER 25, 2021

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AN ACT

1 Authorizing electric distribution companies to establish local  
2 solar programs; and providing for solar renewable energy  
3 credits and for powers and duties of the Pennsylvania Public  
4 Utility Commission.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Pennsylvania  
9 Local Solar Program Act.

10 Section 2. Findings and declarations.

11 The General Assembly finds and declares as follows:

12 (1) Solar energy can provide jobs in communities in this  
13 Commonwealth.

14 (2) Local solar energy generation in this Commonwealth  
15 can contribute to environmental goals, including reduction in  
16 air pollution, and can foster economic growth in communities  
17 in this Commonwealth.

18 (3) This Commonwealth is a deregulated energy state with

1 competitive retail markets, making top-down renewable energy  
2 programs more difficult to implement than in vertically  
3 integrated states.

4 (4) Many residents of this Commonwealth are unable to  
5 participate in solar energy generation because they are  
6 constrained by the physical attributes of their home or  
7 business, such as roof space, shading or ownership status.

8 (5) Low-income customers are generally unable to choose  
9 to purchase renewable electricity through the retail market  
10 due to utility program rules that prohibit shopping for  
11 customer assistance program participants or put limits on  
12 costs, which disqualifies renewable energy with its cost  
13 premium.

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

15 (i) Allow electric customers of this Commonwealth to  
16 use electricity produced by local solar generation within  
17 this Commonwealth.

18 (ii) Support the growth of solar energy projects  
19 constructed in communities within this Commonwealth.

20 (iii) Allow low-income customers an opportunity to  
21 participate in the green economy by electing renewable  
22 energy from local solar generation within this  
23 Commonwealth while maintaining participation in customer  
24 assistance programs.

### 25 Section 3. Definitions.

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

29 "Commission." The Pennsylvania Public Utility Commission.

30 "Developer." A third-party entity under contract with an

1 electric distribution company to build, own, operate and  
2 maintain a local solar facility. The term does not include a  
3 subsidiary or affiliate of an electric distribution company.

4 "Electric distribution company." As defined in 66 Pa.C.S. §  
5 2803 (relating to definitions).

6 "Local solar facility." A facility that meets all of the  
7 following:

8 (1) Generates electricity through the use of a  
9 photovoltaic solar device.

10 (2) Is connected to the electric distribution grid  
11 serving this Commonwealth.

12 (3) Is located in the service territory of an electric  
13 distribution company under the jurisdiction of the  
14 commission.

15 (4) Delivers electricity to the distribution system  
16 operated by an electric distribution company operating in  
17 this Commonwealth.

18 (5) Has an electric nameplate capacity that does not  
19 exceed 20 megawatts.

20 "Local solar program." A local solar program that is  
21 established under section 4(a) and offered by an electric  
22 distribution company.

23 "Low-income customer." An in-State retail end user of an  
24 electric distribution company that participates in the electric  
25 distribution company's customer assistance program.

26 "RTO." A regional transmission organization that coordinates  
27 the movement of wholesale electricity in a geographic region  
28 that includes this Commonwealth and other states.

29 "Solar energy rate." The cent-per-kilowatt-hour rate to be  
30 charged to subscribers, which includes generation, capacity and

1 transmission costs and developer administrative fees, electric  
2 distribution company administration and system fees and taxes.

3 "Subscriber." A retail customer of an electric distribution  
4 company that elects to purchase electricity produced by a local  
5 solar facility through a local solar program.

6 Section 4. Local solar programs.

7 (a) Establishment.--An electric distribution company under  
8 the jurisdiction of the commission may establish a local solar  
9 program. If an electric distribution company elects to establish  
10 a local solar program under this section, the following shall  
11 apply:

12 (1) A local solar facility shall be constructed, owned,  
13 operated and maintained by a developer under contract with  
14 the electric distribution company. The developer may not be  
15 owned or operated by the electric distribution company.

16 (2) A developer shall be selected by a request for  
17 proposals open to interested entities. The request for  
18 proposals shall clearly define the division of  
19 responsibilities and compensation concerning program  
20 marketing, customer service, metering, operation, market  
21 settlement, excess generation, low-income segmentation and  
22 customer pricing.

23 (3) Subject to approval by the commission, the electric  
24 distribution company shall enter into a long-term power  
25 purchase agreement with the developer to purchase all power  
26 produced by a project, with a minimum term of 15 years and a  
27 maximum term of 25 years.

28 (4) A developer shall be responsible for all RTO  
29 interconnection and electric distribution interconnection  
30 costs, the settlement of subscriber load through the RTO

1 interconnection market, costs and credits associated with  
2 subscriber settlement through RTO interconnection and other  
3 costs related to the operation of the facility.

4 (5) No unsubscribed generation may be subject to the  
5 rules and compensation specified between the developer and  
6 the electric distribution company. No costs pertaining to  
7 unsubscribed energy may be passed on to ratepayers by the  
8 electric distribution company.

9 (b) Subscribers.--

10 (1) A customer served by an electric distribution  
11 company that elects to offer a local solar program shall be  
12 provided an opportunity to subscribe to the local solar  
13 program of the customer's electric distribution company,  
14 subject to the following customer eligibility criteria:

15 (i) Except as provided under subparagraph (iii), all  
16 residential and small commercial and industrial  
17 customers, as defined by the electric distribution  
18 company's tariff and rules, shall be eligible to  
19 participate.

20 (ii) A customer that participates in the electric  
21 distribution company's customer assistance program shall  
22 be eligible to participate in accordance with the limits  
23 under subsection (f).

24 (iii) A customer that receives net metering service  
25 may not participate.

26 (2) A subscription under paragraph (1) shall allow a  
27 customer to purchase renewable electricity produced by a  
28 local solar facility interconnected to the electric  
29 distribution company's system.

30 (3) The solar energy rate shall be reflected in the per-

1 kilowatt-hour charge for energy on the bill of the customer.  
2 Subscription to a local solar program may not impact other  
3 charges on a customer bill, including transmission and  
4 distribution charges and customer fees.

5 (4) An electric distribution company may not charge a  
6 sign-up fee or other additional charge to a subscriber.

7 (5) A customer shall subscribe for the customer's entire  
8 electricity use per account, or a percentage of a customer's  
9 account, as permitted by an electric distribution company's  
10 local solar program.

11 (6) A subscriber may cancel a subscription at any time  
12 at no cost to the subscriber. An electric distribution  
13 company may not apply cancellation fees.

14 (7) A subscription may be transferred to another service  
15 address within the electric distribution company's service  
16 territory until the subscriber cancels the subscription.

17 (8) A subscription shall be available on a first-come,  
18 first-served basis. If a local solar program is fully  
19 subscribed, the electric distribution company shall maintain  
20 a wait list and allow additional customers to subscribe if  
21 additional subscriptions become available, in the order of  
22 the wait list.

23 (c) Cost recovery.--

24 (1) All costs of development and operation of a local  
25 solar program shall be incorporated into the solar energy  
26 rate charged to a subscriber for energy usage.

27 (2) An electric distribution company shall be allowed to  
28 recover all costs of the program, including implementation  
29 and reasonable administrative costs from each subscriber,  
30 subject to commission approval.

1 (d) Solar renewable energy credits.--Each solar renewable  
2 energy credit generated by a local solar program shall count  
3 toward the electric distribution company's compliance with the  
4 act of November 30, 2004 (P.L.1672, No.213), known as the  
5 Alternative Energy Portfolio Standards Act.

6 (e) Low-income customers.--

7 (1) A portion of a local solar facility's output in  
8 kilowatt hours shall be reserved for subscription by low-  
9 income customers. The amount of output reserved for low-  
10 income participation shall be from a minimum of 5% to a  
11 maximum of 15%.

12 (2) The electric distribution company shall set the low-  
13 income customer reservation prior to issuing the request for  
14 proposal to a developer.

15 (3) A low-income customer subscribing to a local solar  
16 program shall:

17 (i) Remain eligible for an electric distribution  
18 company's customer assistance program.

19 (ii) Pay a rate not to exceed the electric  
20 distribution company's price-to-compare.

21 (f) Implementation and evaluation.--

22 (1) Within 120 days of the effective date of this  
23 section, the commission shall establish procedures for  
24 reviewing and approving a local solar program.

25 (2) The commission shall establish regulations for  
26 approving the request for proposal process and results,  
27 including the cost for energy, which shall be fixed over the  
28 life of the contract.

29 (3) The commission shall establish a process for  
30 evaluating local solar programs within the first year

1 following activation of the local solar program, and not less  
2 than every three years thereafter, to ensure that local solar  
3 programs are achieving the objectives of this act.

4 Section 5. Effective date.

5 This act shall take effect in 60 days.