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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 330 Session of  
2023

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INTRODUCED BY STAMBAUGH, JAMES, CIRESI, ZIMMERMAN, STURLA,  
ISAACSON AND D. WILLIAMS, MARCH 13, 2023

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, MARCH 13, 2023

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AN ACT

1 Providing for local solar program, for renewable energy credits  
2 and for powers and duties of the Pennsylvania Public Utility  
3 Commission.

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

6 Section 1. Short title.

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

9 Section 2. Findings and declarations.

10 The General Assembly finds and declares as follows:

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

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

17 (3) This Commonwealth is a deregulated energy state with  
18 competitive retail markets, making top-down renewable energy

1 programs more difficult to implement than in vertically  
2 integrated states.

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

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

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

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

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

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

#### 24 Section 3. Definitions.

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

28 "Commission." The Pennsylvania Public Utility Commission.

29 "Developer." A third-party entity under contract with the  
30 electric distribution company to build, own, operate and

1 maintain a local solar facility. The term does not include a  
2 subsidiary or affiliate of an electric distribution company.

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

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

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

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

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

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

17 (5) Has an electric nameplate capacity that does not  
18 exceed 30 megawatts.

19 "Local solar program." A local solar program established  
20 under section 4(a) offered by an electric distribution company.

21 "Low-income customer." An in-State retail end user of an  
22 electric distribution company that is participating in the  
23 electric distribution company's customer assistance program.

24 "Solar energy rate." The cent-per-kilowatt-hour rate to be  
25 charged to subscribers, which includes generation, capacity and  
26 transmission costs and developer administrative fees, electric  
27 distribution company administration and system fees and taxes.

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

1 Section 4. Local solar programs.

2 (a) Establishment.--An electric distribution company under  
3 the jurisdiction of the commission may establish a local solar  
4 program. If an electric distribution company elects to establish  
5 a local solar program under this section, the following shall  
6 apply:

7 (1) A local solar facility shall be constructed, owned,  
8 operated and maintained by a developer under contract with  
9 the electric distribution company. The developer may not be  
10 owned or operated by the electric distribution company.

11 (2) A developer shall be selected by a request for  
12 proposals open to any interested entity. The request for  
13 proposal shall clearly define the division of  
14 responsibilities and compensation concerning program  
15 marketing, customer service, metering, operation, market  
16 settlement, excess generation, low-income segmentation and  
17 customer pricing.

18 (3) Subject to approval by the commission, an electric  
19 distribution company shall enter into a long-term power  
20 purchase agreement with the developer to purchase all power  
21 produced by a project, with a minimum term of 15 years and a  
22 maximum term of 25 years.

23 (4) A developer shall be responsible for all PJM  
24 Interconnection and electric distribution interconnection  
25 costs, the settlement of subscriber load through the PJM  
26 Interconnection market, costs and credits associated with  
27 subscriber settlement through PJM Interconnection and any  
28 other costs related to the operation of the facility.

29 (5) No unsubscribed generation may be subject to the  
30 rules and compensation set forth between the developer and

1 the electric distribution company. No costs pertaining to  
2 unsubscribed energy may be passed onto ratepayers by the  
3 electric distribution company.

4 (b) (Reserved).

5 (c) Subscribers.--The following shall apply:

6 (1) Each customer served by an electric distribution  
7 company that elects to offer a local solar program shall be  
8 provided an opportunity to subscribe to the local solar  
9 program of the customer's electric distribution company,  
10 subject to the following customer eligibility criteria:

11 (i) except as provided under subparagraph (iii), all  
12 residential and small commercial and industrial  
13 customers, as defined by the electric distribution  
14 company's tariff and rules, shall be eligible to  
15 participate;

16 (ii) a customer who participates in the electric  
17 distribution company's customer assistance program shall  
18 be eligible to participate in accordance with the limits  
19 under subsection (f); and

20 (iii) a customer that receives net metering service  
21 may not participate.

22 (2) A subscription under paragraph (1) shall allow a  
23 customer to purchase renewable electricity produced by a  
24 local solar facility interconnected to the electric  
25 distribution company's system.

26 (3) The solar energy rate shall be reflected in the per-  
27 kilowatt-hour charge for energy on the bill of the customer.  
28 Subscription to a local solar program may not impact other  
29 charges on a customer bill, including transmission and  
30 distribution charges and customer fees.

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

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

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

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

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

19 (d) Cost recovery.--The following shall apply:

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

23 (2) An electric distribution company shall be allowed to  
24 recover all costs of the program, including implementation  
25 and reasonable administrative costs from each subscriber,  
26 subject to commission approval.

27 (e) Solar renewable energy credits.--Each solar renewable  
28 energy credit generated by a local solar program shall count  
29 toward the electric distribution company's compliance with the  
30 act of November 30, 2004 (P.L.1672, No.213), known as the

1 Alternative Energy Portfolio Standards Act.

2 (f) Low-income customers.--A portion of a local solar  
3 facility's output in kilowatt hours shall be reserved for  
4 subscription by low-income customers. The amount of output  
5 reserved for low-income participation shall be from a minimum of  
6 5% to a maximum of 15%. The electric distribution company shall  
7 set the low-income customer reservation prior to issuing the  
8 request for proposal to a developer. A low-income customer  
9 subscribing to a local solar program shall remain eligible for  
10 an electric distribution company's customer assistance program.  
11 A low-income customer subscribing to the local solar program  
12 shall pay a rate not to exceed the electric distribution  
13 company's price-to-compare.

14 (g) Implementation and evaluation.--Within 120 days of the  
15 effective date of this subsection, the commission shall  
16 establish procedures for reviewing and approving a local solar  
17 program. The commission shall establish regulations for  
18 approving the request for proposal process and results,  
19 including the cost for energy, which shall be fixed over the  
20 life of the contract. The commission shall establish a process  
21 for evaluating local solar programs within the first year  
22 following activation of the local solar program, and not less  
23 than every three years thereafter, to ensure that local solar  
24 programs are achieving the objectives of this act.

25 Section 5. Effective date.

26 This act shall take effect in 60 days.