

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1970 Session of
2019

INTRODUCED BY MIZGORSKI, ULLMAN, SCHMITT, ZABEL, THOMAS,
MILLARD, CALTAGIRONE, BROWN, FRANKEL AND OTTEN,
OCTOBER 21, 2019

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, OCTOBER 21, 2019

AN ACT

Providing for the establishment of local solar programs.

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

Section 1. Short title.

This act shall be known and may be cited as the Local Solar
Programs Act.

Section 2. Findings and declarations.

The General Assembly finds and declares as follows:

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

(2) Local solar energy generation within this
Commonwealth can contribute to environmental goals, including
reduction in air pollution.

(3) Local solar energy generation can foster economic
growth in Pennsylvania communities.

(4) Pennsylvania is a deregulated energy State, with
competitive retail markets, making top-down renewable energy

programs more difficult to implement than in vertically integrated states.

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

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

(7) The intent of this act is to:

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

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

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

Section 3. 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:

"Commission." The Pennsylvania Public Utility Commission.

"Developer." A third-party entity under contract with the

electric distribution company to build, own, operate and maintain a local solar facility.

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

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

- (1) Generates electricity through the use of a photovoltaic solar device.
- (2) Is connected to the electric distribution grid serving this Commonwealth.
- (3) Is located in the service territory of an electric distribution company under the jurisdiction of the commission.
- (4) Delivers electricity to the distribution system operated by an electric distribution company operating within this Commonwealth.
- (5) Has a nameplate capacity which does not exceed three megawatts.
- (6) Limits single subscription to 10% of the local solar facility output in kilowatt hours.

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

"Low-income customer." An in-State retail end user of an electric distribution company that qualifies for the electric distribution company's customer assistance program.

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

Section 4. Local solar programs.

(a) Establishment.--An electric distribution company under the jurisdiction of the commission may establish a local solar program.

(b) Local solar facility construction and operation.--

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

(2) A developer shall be selected by a request for proposals open to any interested entity.

(3) An electric distribution company shall enter into a long-term agreement with the developer, with a minimum term of 15 years and a maximum term of 25 years.

(4) The agreement between developer and electric distribution company shall clearly define the division of responsibilities concerning program marketing, customer service, metering and operation.

(5) The contract between developer and electric distribution company shall be subject to approval by the commission to ensure adequate consumer protections.

(c) Customer subscriptions.--

(1) Each customer served by an electric distribution company that offers a local solar program shall be provided an opportunity to subscribe to the local solar program of the customer's electric distribution company.

(2) A subscription under paragraph (1) shall allow a customer to purchase renewable electricity produced by a local solar facility interconnected to the electric

distribution company's system.

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

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

(5) A customer shall subscribe for the customer's entire electricity use per account. Subscriptions for a percentage of account usage may not be offered.

(6) A customer may cancel the customer's subscription at any time. An electric distribution company may not apply cancellation fees.

(7) The maximum size of a subscription shall be 10% of the output from a local solar program, measured in kilowatt hour of output.

(8) A subscription may be transferred to another service address within the electric distribution company's service territory until the customer cancels the subscription.

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

(d) Cost recovery.--

(1) The cost of development of the local solar program shall be factored into the rate charged to subscribers for

energy usage.

(2) An electric distribution company shall be allowed to recover costs of the program including implementation and reasonable administrative costs, from each subscribing customer, subject to commission approval.

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

(f) Low-income customers.--

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

(2) A low-income customer subscribing to a local solar program shall remain eligible for an electric distribution company's customer assistance program and shall remain eligible to pay the same amount for electricity as the low-income customer would if not subscribing to the local solar program.

(g) Implementation and evaluation.--

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

(2) The commission shall establish regulations for approving the request for proposal process and results, including the cost for energy, which shall be fixed over the

life of the contract.

(3) The commission shall establish a process for evaluating local solar programs within the first year following activation of the local solar program and not less than every three years thereafter, to ensure that local solar programs are meeting the objectives of this act.

~~(h) Compensation to electric distribution company. An electric distribution company may recover reasonable administrative costs associated with a local solar program, subject to approval by the commission.~~

Section 5. Effective date.

This act shall take effect in 60 days.