
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 743 Session of
2015

INTRODUCED BY LEACH, TEPLITZ, SCHWANK AND HAYWOOD,
APRIL 16, 2015

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, APRIL 16, 2015

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 alternative energy portfolio standards
9 and for portfolio requirements in other states.

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

12 Section 1. Sections 3(b) and (f) and 4 of the act of
13 November 30, 2004 (P.L.1672, No.213), known as the Alternative
14 Energy Portfolio Standards Act, amended July 17, 2007 (P.L.114,
15 No.35), are amended to read:

16 Section 3. Alternative energy portfolio standards.

17 * * *

18 (b) Tier I and solar photovoltaic shares.--

19 (1) Two years after the effective date of this act, at
20 least 1.5% of the electric energy sold by an electric
21 distribution company or electric generation supplier to

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

- 17 (i) 4.5% for June 1, 2014, through May 31, 2015.
- 18 (ii) 5% for June 1, 2015, through May 31, 2016.
- 19 (iii) 5.5% for June 1, 2016, through May 31, 2017.
- 20 (iv) 6% for June 1, 2017, through May 31, 2018.
- 21 (v) 7.5% for June 1, 2018, through May 31, 2019.
- 22 (vi) 9% for June 1, 2019, through May 31, 2020.
- 23 (vii) 10.5% for June 1, 2020, through May 31, 2021.
- 24 (viii) 12% for June 1, 2021, through May 31, 2022.
- 25 (ix) 13.5% for June 1, 2022, through May 31, 2023.
- 26 (x) 15% for June 1, 2023, and thereafter.

27 (2) The total percentage of the electric energy sold by
28 an electric distribution company or electric generation
29 supplier to retail electric customers in this Commonwealth
30 that must be sold from solar photovoltaic technologies is:

- 1 (i) 0.0013% for June 1, 2006, through May 31, 2007.
2 (ii) 0.0030% for June 1, 2007, through May 31, 2008.
3 (iii) 0.0063% for June 1, 2008, through May 31,
4 2009.
5 (iv) 0.0120% for June 1, 2009, through May 31, 2010.
6 (v) 0.0203% for June 1, 2010, through May 31, 2011.
7 (vi) 0.0325% for June 1, 2011, through May 31, 2012.
8 (vii) 0.0510% for June 1, 2012, through May 31,
9 2013.
10 (viii) 0.0840% for June 1, 2013, through May 31,
11 2014.
12 (ix) [0.1440%] 0.1959% for June 1, 2014, through May
13 31, 2015.
14 (x) [0.2500%] 0.3408% for June 1, 2015, through May
15 31, 2016.
16 (xi) [0.2933%] 0.4857% for June 1, 2016, through May
17 31, 2017.
18 (xii) [0.3400%] 0.6306% for June 1, 2017, through
19 May 31, 2018.
20 (xiii) [0.3900%] 0.7755% for June 1, 2018, through
21 May 31, 2019.
22 (xiv) [0.4433%] 0.9204% for June 1, 2019, through
23 May 31, 2020.
24 (xv) [0.5000%] 1.0653% for June 1, 2020, [and
25 thereafter.] through June 1, 2021.
26 (xvi) 1.2102% for June 1, 2021, through May 31,
27 2022.
28 (xvii) 1.3551% for June 1, 2022, through May 31,
29 2023.
30 (xviii) 1.5000% for June 1, 2023, and thereafter.

1 (3) Upon commencement of the beginning of the 6th
2 reporting year, the commission shall undertake a review of
3 the compliance by electric distribution companies and
4 electric generation suppliers with the requirements of this
5 act. The review shall also include the status of alternative
6 energy technologies within this Commonwealth and the capacity
7 to add additional alternative energy resources. The
8 commission shall use the results of this review to recommend
9 to the General Assembly additional compliance goals beyond
10 year 15. The commission shall work with the department in
11 evaluating the future alternative energy resource potential.

12 * * *

13 (f) Alternative compliance payment.--

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

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

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

30 (4) The alternative compliance payment for the solar

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

9 (i) For June 1, 2014, through May 31, 2015, \$250 per
10 megawatt hour.

11 (ii) For June 1, 2015, through May 31, 2016, \$225
12 per megawatt hour.

13 (iii) For June 1, 2016, through May 31, 2017, \$200
14 per megawatt hour.

15 (iv) For June 1, 2017, through May 31, 2018, \$175
16 per megawatt hour.

17 (v) For June 1, 2018, through May 31, 2019, \$150 per
18 megawatt hour.

19 (vi) For June 1, 2019, through May 31, 2020, \$125
20 per megawatt hour.

21 (vii) For June 1, 2020, through May 31, 2021, \$100
22 per megawatt hour.

23 (viii) For June 1, 2021, through May 31, 2022, \$75
24 per megawatt hour.

25 (ix) For June 1, 2022, and thereafter, \$50 per
26 megawatt hour.

27 (5) The commission shall establish a process to provide
28 for, at least annually, a review of the alternative energy
29 market within this Commonwealth and the service territories
30 of the regional transmission organizations that manage the

1 transmission system in any part of this Commonwealth. The
2 commission will use the results of this study to identify any
3 needed changes to the cost associated with the alternative
4 compliance payment program. If the commission finds that the
5 costs associated with the alternative compliance payment
6 program must be changed, the commission shall present these
7 findings to the General Assembly for legislative enactment.

8 * * *

9 Section 4. Portfolio requirements in other states.

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

1 shall only be eligible to meet the compliance requirements of
2 electric distribution companies or electric generation suppliers
3 located within the service territory of the same regional
4 transmission organization. For purposes of compliance with this
5 act, alternative energy sources located in the PJM
6 Interconnection, L.L.C. regional transmission organization (PJM)
7 or its successor service territory shall be eligible to fulfill
8 compliance obligations of all Pennsylvania electric distribution
9 companies and electric generation suppliers. Energy derived from
10 alternative energy sources located outside the service territory
11 of a regional transmission organization that manages the
12 transmission system in any part of this Commonwealth shall not
13 be eligible to meet the compliance requirements of this act.
14 Electric distribution companies and electric generation
15 suppliers shall document that this energy was not used to
16 satisfy another state's renewable energy portfolio standards.

17 (b) Solar photovoltaic technology.--To meet the requirements
18 of this section, all solar photovoltaic technology registered
19 after the effective date of this subsection shall directly
20 deliver the electricity it generates to the distribution system
21 operated by an electric distribution company operating within
22 this Commonwealth and currently obligated to meet the compliance
23 requirements contained in this act.

24 Section 2. The following provisions shall apply to contracts
25 for the purchase of solar alternative energy entered into after
26 May 31, 2014, by entities with a solar alternative energy
27 portfolio standard compliance obligation:

- 28 (1) The amendment of section 3(b) and (f) of the act.
29 (2) The amendment of section 4 of the act.

30 Section 3. This act shall take effect in 60 days.