
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1161 Session of
2021

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APRIL 12, 2021

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 12, 2021

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

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 the

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

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 20 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.

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

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

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

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

17 (iii) a customer that receives net metering service
18 may not participate.

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

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

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

30 (5) A customer shall subscribe for the customer's entire

1 electricity use per account, or a percentage of a customer's
2 account, as permitted by an electric distribution company's
3 local solar program.

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

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

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

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

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

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

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

29 (f) Low-income customers.--A portion of a local solar
30 facility's output in kilowatt hours shall be reserved for

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

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

22 Section 5. Effective date.

23 This act shall take effect in 60 days.