



MSEIA SOLAR REPORT FOR PENNSYLVANIA MAY 2016 SUMMARY

Strategic Highlights

New Jersey bill would establish community solar throughout the state. New Jersey bill Senate Bill [S2275](#), introduced on May 23, would effectively allow community solar projects to be developed. Consumers that seek to invest in a solar project would be compensated by a bill credit (kWh), provided that the credit could not exceed 100% of the customer's previous year annual usage. S2275 is a companion to A1672 which was introduced earlier this year...

PSE&G files for extension to Solar 4 All Program. Utility PSE&G filed a [request](#) with the New Jersey BPU on May 10 to extend its [Solar 4 All program](#). If approved, the extension will allow PSE&G to invest approximately \$275 million to design and construct an additional 100 MW of grid-connected solar capacity on landfills and brownfields in its New Jersey electric service territory by the end of 2021...

New Jersey bill seeks to create “New Jersey Solar Energy Study Commission.” Senate Bill [S2276](#), introduced on May 23, would create the New Jersey Solar Energy Study Commission, which would study all aspects of New Jersey's solar energy generation industry, and make findings and recommendations to the governor and legislature on how the use of solar energy could be expanded. In addition, S2276 would move up a requirement that more than 4 percent of the state's electricity comes from solar systems in 2021, instead of 2028 as is expected according to existing law...

Pennsylvania bill to stabilize the SREC market for project developers. Introduced on May 23, House Bill [HB240](#) would require “electric distributors,” that is, any retailer with Alternative Energy Portfolio Standard obligations, to purchase and retire solar renewable energy credits (SRECs) which were created within Pennsylvania. According to the bill sponsor, there has been an oversupply of SRECs in the state which has resulted in lower investment return for solar project developers; this bill would help provide some relief by attempting to better balance the demand and supply of the SREC market...

Pennsylvania bill to provide incentives for purchase of domestically made solar panels. Pennsylvania House Bill [HB2066](#), introduced on May 11, would require all recipients of grant money for solar panels to purchase panels manufactured domestically....



GENERAL POLICY				
Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>Office of Governor Wolf Press Release</p> <p><i>Opened on 5/4/2016.</i></p>	<p>Gov. Wolf (a Democrat), has nominated his current energy advisor David Sweet to fill the spot on the PAPUC recently vacated by Pamela Witmer, a pro-competition commissioner who recently joined retail supplier UGI Energy Services as a government relations executive. David Sweet has served as the senior advisor to Gov. Wolf, on energy and economic development issues since 4/15. Prior to joining Gov. Wolf's staff, Sweet was a partner at two major Pennsylvania law firms and served as a member of the state House of Representatives from 1977 to 1988.</p>	<p>Personnel changes at the PAPUC.</p>	<p>Gov. Wolf announced his nomination of Mr. Sweet (5/4/16).</p>	<p>Awaiting action by the state Senate on whether to confirm Mr. Sweet.</p>



PAPUC PROCEEDINGS				
Reference No.	Description	Why It Matters	Most Recent Action	Next Action
PAPUC Docket No. A-2016-2546450 <i>Opened on 5/19/2016.</i>	PECO seeking PAPUC approval for authority to conduct a community microgrid pilot, which would include the utility constructing, owning, and operating several distributed energy resource technologies to power the proposed microgrid, including natural gas engines.	Utility ownership of DER technologies is controversial as such technologies are argued to be delivered and serviced by private companies.	PECO filed its application (5/19/16). PECO is proposing two integrated microgrids to support approximately 388 acres in Concord Township with a variety of public service loads, including healthcare, local emergency services, a retirement community, hotels and gas stations to form a microgrid capable of supplying power to three critical government facilities and twenty-seven public accommodations with a typical aggregate peak load of 8.6 MW.	A pre-hearing conference is scheduled for 2:00 p.m. on 6/22/16 .



PAPUC PROCEEDINGS				
Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>PAPUC Docket No. L-2014-2404361</p> <p><i>Opened on 2/6/14.</i></p> <p>IRRC Docket No. 3061</p> <p><i>Opened on 6/23/14.</i></p>	<p>Proceeding to revise the Alternative Energy Portfolio Standards (AEPS) Act regulations including:</p> <ul style="list-style-type: none"> An increase in the proposed system design limit of a new customer-generator, from 110 percent to 200 percent of historical (or estimated, for new construction) annual consumption; A revised definition of “customer-generator” and an added definition of “utility” to clarify that the definition applies to electric utilities, suppliers and merchant generators – and that non-electric utilities are excluded from the ban of utilities qualifying as a customer-generator; A shortened response time for a net metering applicant to receive a determination from the PUC; A revised definition of “alternative energy sources” to reflect the amendments to the definition for “low-impact hydropower” and “biomass facilities” from Act 129; and Added definitions for “grid emergencies” and “microgrid.” 	<p>Changes to renewable portfolio standard.</p>	<p>Final rulemaking order issued (2/11/16). Among other things, the rulemaking addresses: (1) the addition of definitions for aggregator, default service provider, grid emergencies, microgrids and moving water impoundments; (2) revisions to net metering rules and inclusion of a process for obtaining PAPUC approval to net meter alternative energy systems with a nameplate capacity of 500 kW or greater; (3) clarification of the virtual meter aggregation language; and (4) clarification of net metering compensation for customer-generators receiving generation service from electric utilities, default service providers and electric generation suppliers.</p> <p>Parties filed comments with the IRRC on the proposed regulation (5/6/16). Of note, the federal corrections facility at Allenwood asked the IRRC to disapprove the regulation, arguing it will harm current net metering customers. A group of environmental advocates also filed opposition to the proposed regulations.</p> <p>IRRC disapproved regulation (5/19/16).</p>	<p>Awaiting disclosure of IRRC’s disapproval decision.</p>



LEGISLATION Reference No.	Description	Why It Matters	Most Recent Action	Next Action
House Bill HB240 (Keller) <i>Opened on 5/23/2016.</i>	This bill would require “electric distributors” – i.e., any retailer with Alternative Energy Portfolio Standard obligations - to purchase and retire solar renewable energy credits (SRECs) which were created within Pennsylvania.	Improves the SREC market for solar project developers, with respect to supply and demand of SRECs, as there has been an oversupply of SRECs which has resulted in lower investment return for solar project developers.	Introduced and referred to the House Commerce Committee (5/23/16).	Awaiting scheduling of a committee hearing.
House Bill HB2066 (Heffley) <i>Opened on 5/11/2016.</i>	This bill would amend the 2008 Alternative Energy Investment Act, further providing for consumer and small business solar energy projects.	Would require all recipients of grant money for solar panels to purchase panels manufactured domestically.	Introduced and referred to the Environmental Resources and Energy Committee (5/11/16).	Awaiting scheduling of a committee hearing.



LEGISLATION				
Reference No.	Description	Why It Matters	Most Recent Action	Next Action
Senate Bill SB1195 (<i>White</i>) <i>Opened on 4/8/2016.</i>	Would extend the amount of time the General Assembly would have to review Pennsylvania’s compliance plan for the Federal Clean Power Plan. Review and approval of the plan would be extended from 100 to 180 days before submission to the Environmental Protection Agency (EPA), which is slated for 9/16.	Would grant the General Assembly additional time to review the highly controversial plan.	Reported favorably by Senate Environmental Resources and Energy (4/13/16).	Awaiting Senate floor vote.
Senate Bill SB1069 (13 sponsors) <i>Opened on 1/28/2016.</i>	Would allow municipalities to make loans to commercial and industrial real estate owners to retrofit their property with energy-efficient technology. The loan would then be repaid as an assessment on their property taxes with the tenure of a mortgage (i.e., PACE financing).	PACE financing can provide opportunities for commercial and industrial renewable energy projects.	Introduced and referred to the Senate Community, Economic and Recreational Development Committee (1/28/16).	Awaiting scheduling of a committee hearing.



LEGISLATION Reference No.	Description	Why It Matters	Most Recent Action	Next Action
Senate Bill SB743 (Leach) <i>Introduced on 4/16/15.</i>	<p>Would amend the Alternative Energy Portfolio Standards Act, further providing for alternative energy portfolio standards and for portfolio requirements in other states.</p> <p>The minimum percentage of electric energy required to be sold to retail electric customers from alternative energy sources would be: (i) 4.5% for 6/1/14 through 5/31/15. (ii) 5% for 6/1/15 through 5/31/16 (iii) 5.5% for 6/1/16 through 5/31/17 (iv) 6% for 6/1/17, through 5/31/18 (v) 7.5% for 6/1/18 through 5/31/19 (vi) 9% for 6/1/19, through 5/31/20. (vii) 10.5% for 6/1/20, through 5/31/21. (viii) 12% for 6/1/21 through 5/31/22 (ix) 13.5% for 6/1/22 through 5/31/23. (x) 15% for 6/1/23 and thereafter.</p>	Seeks to make modifications to the minimum percentage of electric energy to be sold from alternative sources.	Introduced and referred to the Senate Environmental Resources and Energy Committee (4/16/15).	Awaiting scheduling of committee hearing.



LEGISLATION Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>House Bill HB1363 (DiGirolamo)</p> <p><i>Introduced on 6/29/15.</i></p>	<p>Creates a 3.2% drilling tax on unconventional natural gas extraction. The legislation also directs the distribution of the proceeds.</p> <p>Three and five-tenths percent of the proceeds will be distributed to the Department of Environmental Protection for making low-interest loans to support the development of solar energy.</p>	<p>Financial incentives via low-interest loans to support solar development.</p>	<p>Introduced and referred to the Energy and Environmental Resources Committee (6/29/15.).</p>	<p>Awaiting scheduling of a committee hearing.</p>
<p>House Bill HB396 (Reese)</p> <p><i>Introduced on 2/9/15.</i></p> <p>(This bill is a combination of HB 394 (Reese) & HB 395 (Reese))</p>	<p>Distribution companies would provide an avenue for customers to “opt-out” of using a smart meter. Additionally, such customers who opt-out would be charged a one time and/or monthly fee for doing so by the PAPUC. The bill also adds that customer consent to release customer meter data to third parties and government agencies under certain circumstances.</p>	<p>Would impact smart meter deployment.</p>	<p>HB 395 passed the House (2/9/16).</p> <p>HB 395 was introduced into the Senate and referred to the Senate Consumer Protection and Professional Licensure Committee (2/12/16).</p>	<p>Awaiting scheduling of a Senate committee hearing.</p>



LEGISLATION Reference No.	Description	Why It Matters	Most Recent Action	Next Action
<p>House Bill HB200 (Vitali)</p> <p><i>Opened on 2/23/2015.</i></p>	<p>This bill would provide a dedicated funding source for the Pennsylvania Sunshine Solar Program. This program provided residential homeowners, small business and non-profits who install solar systems a rebate of up to 10% of the cost of the system. This extremely popular program was created in 2008 and funded with a \$100 million bond. It ran out of funds at the end of 2013.</p> <p>This legislation would increase the Gross Receipts Tax on utility companies by 1.25 mills, from 59 to 60.25, and provide the increased funding to the Sunshine Solar Program. This additional funding is expected to yield about \$25 million annually.</p>	<p>This bill further encourages consumers to purchase and install solar panels via financial incentives.</p>	<p>HB 200 was introduced and referred to the Consumer Affairs Committee (2/23/15).</p>	<p>Awaiting scheduling of a committee hearing.</p>



LEGISLATION Reference No.	Description	Why It Matters	Most Recent Action	Next Action
House Bill HB100 (Vitali) <i>Introduced on 2/23/15.</i>	<p>This bill amends the Alternative Energy Portfolio Standards Act.</p> <p>The minimum percentage of electric energy required to be sold to retail electric customers from alternative energy sources shall be:</p> <p>(i) 4.5% for 6/1/14 through 5/31/15. (ii) 5% for 6/1/15 through 5/31/16 (iii) 5.5% for 6/1/16 through 5/31/17 (iv) 6% for 6/1/17, through 5/31/18 (v) 7.5% for 6/1/18 through 5/31/19 (vi) 9% for 6/1/19, through 5/31/20. (vii) 10.5% for 6/1/20, through 5/31/21. (viii) 12% for 6/1/21 through 5/31/22 (ix) 13.5% for 6/1/22 through 5/31/23. (x) 15% for 6/1/23 and thereafter.</p>	<p>Increases the load of renewable electricity sold to utilities and retail suppliers. Involves retail supplier benchmarks regarding percentage of alternative energy sources sold by suppliers.</p>	<p>HB 100 was introduced and referred to the House Committee on Consumer Affairs (2/23/15).</p>	<p>Awaiting committee action.</p>



LEGISLATION				
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Senate Bill SB459 (Rafferty) <i>Introduced on 2/12/15.</i>	This bill will provide a sales and use tax exemption for the purchase or use of a solar energy system. A “solar energy system” means the equipment and hardware that utilize solar energy for water heating, space heating, cooling or other applications.	Increases market adoption of solar energy systems.	Introduced and referred to the Finance Committee (2/12/15).	Awaiting scheduling of a committee hearing.



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