

Shining a Light Into Pennsylvania's Solar Legislation



July 12, 2023

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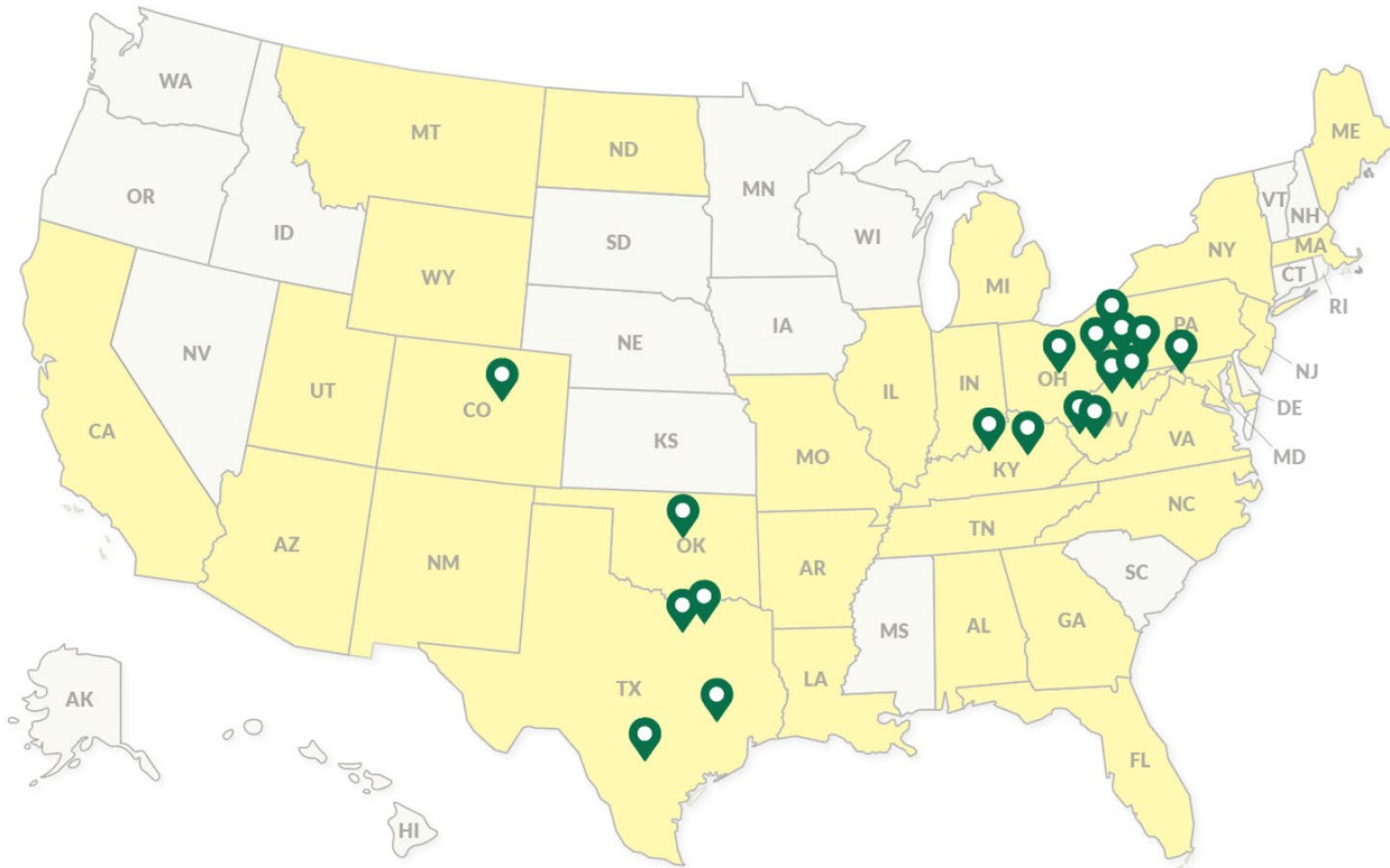
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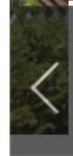
Road Map

- Introduction
- Alternative Energy Portfolio Standards (AEPS) Act
- Community (or “Shared”) Solar Legislation
- Decommissioning Legislation
- Tax Legislation

Introduction

- Residential
- “Community” Solar
- Utility (or Grid) Scale Solar
- Net Metering
- Distributed Generation

SOLAR ENERGY RESOURCES



Solar Energy Resources for Consumers

These resources cover a variety of topics for energy consumers including the process of choosing and installing a solar energy system and its value.

[LEARN MORE](#)



Federal Solar Tax Credit Resources

Developed by the U.S. Department of Energy (DOE) Solar Energy Technologies Office (SETO), these guides provide overviews of the federal solar investment tax credit, known as the ITC, for homeowners, businesses, and solar manufacturers.

[Energy.gov/solar](https://www.energy.gov/solar)

Introduction

- Project Life Cycle
 - Siting
 - Construction
 - Commercial Operation
 - Decommissioning



Introduction

- Electricity is deregulated in Pennsylvania
- PA PUC does not regulate solar power generation
- Local governmental entities have a lot of authority over siting



Introduction

- Key Bills:
 - Community or “Shared” Solar Bills:
 - SB 230 (Amends AEPS)
 - SB 550
 - HB 330
 - Decommissioning
 - SB 211
 - HB 925
 - Property Tax Exemption
 - HB 520



Alternative Energy Portfolio Standards

- In 2004, the Pennsylvania General Assembly passed the Alternative Energy Portfolio Standards Act.
- That Act requires that electric utilities sell a certain percentage of retail electricity generated from alternative energy sources.
- Under that Act, the percentage is raised each year over a fifteen-year period. Ending in May of 2021.
- Such sources include solar power.
- Solar carve out.

Alternative Energy Portfolio Standards

- Permits EDC to purchase Alternative Energy Credits to comply with the statute.
- Allows third parties to generate those credits.
- Credits have a fluctuating price.
- Allows net metering.

Community Solar Legislation

- SB 230
 - Amends AEPS and adds defined terms
 - Increases Tier 1 Goals
 - Increase in-state solar carve-out

PRINTER'S NO. 500

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 230 Session of
2023

INTRODUCED BY SANTARSIERO, COMMITTA, HAYWOOD, MILLER, HUGHES,
FONTANA, KEARNEY, COSTA AND SCHWANK, MARCH 15, 2023

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
MARCH 15, 2023

Community Solar Legislation

- Key Features of SB 230
 - Tier 1 renewable goals increase from 8% to 30%
 - Solar carve-out goals increase to 14% by 2030
 - Three categories of in-state carveout:
 - Customer Generators
 - Community Solar
 - Utility-Scale solar

Community Solar Legislation

- SB 550
 - Amends Title 66 (Public Utilities)
 - Enables community (or shared) solar programs in PA
 - Similar to SB 472 and HB 1555 from the 2021-2022 session

PRINTER'S NO. 583

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 550 Session of
2023

INTRODUCED BY BROWN, KEARNEY, LAUGHLIN, CAPPELLETTI, SCHWANK,
SANTARSIERO, TARTAGLIONE AND REGAN, APRIL 13, 2023

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
APRIL 13, 2023

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for community solar
3 facilities.

Community Solar Legislation

- Key Features of SB 550
 - Projects on Brownfields up to 20 MW
 - All other projects limited to 5 MW
 - Grid Services Payment (GSP)
 - Value Stack Payment (Calculated by PA PUC)

Community Solar Legislation

- SB 550 Key Features (continued)
 - Decommissioning
 - Bond of no less than \$10,000 per MW
 - No more than 20% of community solar
 - Conform with PA Prevailing Wage Act (regardless of size)
 - EDCs permitted to hold Solar Renewable Energy Credits (SRECs) for first 25 years

Community Solar Legislation

- HB 330
 - Legalizes “community solar” in Pennsylvania.
 - Creates “community solar programs” owned by EDC.
 - EDCs contract directly with a third-party developer to create a Local Solar Facility.

Community Solar Legislation

- The Local Solar Facility must:
 - 1) generate electricity through a photovoltaic solar device (e.g., solar panels);
 - 2) connect to the electric distribution grid serving Pennsylvania;
 - 3) be in the service territory of an EDC under the jurisdiction of the Public Utility Commission;
 - 4) deliver electricity to the distribution system of an EDC operating in Pennsylvania; and
 - 5) have a nameplate capacity that does not exceed 30 MW.

Community Solar Legislation

- HB 330 Key Features (cont.)
 - Customers of an EDC subscribe to the Local Solar Facility.
 - A certain percentage must qualify as low income.

Community Solar Legislation

- HB 330 is unlike other community solar bills proposed in the 2023 legislative session.
- Contract directly with EDC.
- HB 330 permits any EDC that establishes a Local Solar Program to count the solar energy credits generated toward their compliance requirements under the Alternative Energy Portfolio Standards Act.

Decommissioning Legislation

- SB 211 AND HB 925
 - Applies to solar facilities with a capacity greater than 2 MW
 - Requires PA DEP to develop statewide standard decommissioning plan
 - Decommissioning triggered after facility stops producing electricity for 18 months
 - Bond amount determined by third-party engineer
 - Must record decommissioning plan and proof of financial assurance with recorder's office
 - Preempts local ordinances

Decommissioning Legislation

- SB 211
 - May subtract salvage value from bond amount
- HB 925
 - Not expressly allowed to subtract salvage value
 - Additional requirements for facilities planned for certain USDA-NRCS soil classifications
 - Additional requirements for facilities using greater than 10 acres of land

Property Tax Exemption

- HB 520
 - Exempts solar devices from property tax assessment
 - System must generate at least 10 MW
 - Answers unsettled tax law question re whether solar equipment falls within the machinery and equipment exemption

Questions?

