

LEGISLATIVE GUIDE TO PENNSYLVANIA STATE SOLAR POLICY 2023-2024

Updated May 30, 2024

The [Pennsylvania Solar Center](#) is a nonprofit, nonpartisan organization dedicated to helping all Pennsylvanians benefit from solar energy. With decades of experience represented by our staff, Board and partners, the Pennsylvania Solar Center provides research and education on important topics impacting Pennsylvania's solar industry.

The following legislative guide contains information on policy proposals currently under consideration by Pennsylvania's General Assembly that have potential to impact Pennsylvania's solar industry. This document and its references are provided for educational purposes only and do not necessarily reflect the views or opinions of the Pennsylvania Solar Center's funders, members, partners, Board, or individual staff.

LEGEND

These icons indicate if the PA Solar Center interprets the bill to have positive or negative impact to the solar industry in Pennsylvania as well as consideration of a bill's likeliness to garner support. This is not intended to imply endorsement, lack of support, or otherwise, for any particular legislation.



Bills of significant interest to watch and have potential positive impacts for solar development in Pennsylvania.









Bills that would likely have a moderate positive impact on solar OR PA Solar Center is neutral on the bill.



Bills of significant interest to watch and for which the Pennsylvania Solar Center has concern for the possible negative impact(s) on solar development in Pennsylvania.




Quick Reference Guide for Key Bills

Guide	Bill #	Prime Sponsors	History
INCREASING RENEWABLE ENERGY GOALS			
<i>Increases Renewable Goals in the AEPS to 30% with 14% Solar by 2030 and Enables Community Solar</i>			
	SB 230	Steven Santarsiero (D-Bucks County)	Referred to the Senate Consumer Protection and Professional Licensure Committee, March 15, 2023
	HB 1467	Danielle Friel Otten (D-Chester County)	Referred to the House Environmental Resources and Energy Committee, June 21, 2023
<i>Increases Renewable Goals to 35% by 2035, renames the AEPS to the Pennsylvania Reliable Energy Sustainability Standard</i>			
	SB 1190	Steven Santarsiero (D-Bucks County)	Referred to the Senate Environmental Resources and Energy Committee, May 28, 2024
	HB 2277	Danielle Friel Otten (D-Chester County)	Referred to the House Environmental Resources and Energy Committee, May 8, 2024
<i>Creates a New Renewable Energy Standard Scheme (non-AEPS)</i>			
	SB 1040	Lisa Boscola (D-Lehigh and Northampton Counties)	Referred to the Senate Consumer Protection and Professional Licensure Committee, January 12, 2024
COMMUNITY SOLAR/SHARED SOLAR			
<i>Enables Community or Shared Solar Programs in Pennsylvania</i>			
	HB 1842	Prime: Peter Schweyer (D-Lehigh County)	Final House passage (Y-111; N-90), March 26, 2026. Referred to the Senate Consumer Protection and Professional Licensure Committee, April 22, 2024
	SB 550	Prime: Rosemary Brown (R-Lackawanna, Monroe and Wayne Counties)	Referred to the Senate Consumer Protection and Professional Licensure Committee, April 13, 2023
	MEMO	Prime: Aaron Kaufer (R-Luzerne County) and Joseph Hohenstein (D-Philadelphia County)	Memo circulated on April 10, 2023 (<i>likely a companion bill to SB 550</i>)
	HB 330	Prime: Perry Stambaugh (R-Perry, Juniata Counties)	Referred to the House Consumer Protection, Technology and Utilities Committee, March 13, 2023
	SB 1227	Prime: Daniel Laughlin (R-Erie County)	Referred to the Senate Consumer Protection and Professional Licensure Committee, May 30, 2024




SOLAR FOR SCHOOLS

Allocates Grant Funding for Schools to go Solar

	HB 1032	Prime: Elizabeth Fiedler (D-Bradford, Philadelphia County)	Final House passage (Y-134; N-69), June 29, 2023. Referred to the Senate Community, Economic and Recreational Development Committee, July 27, 2023
	MEMO	Prime: Vincent Hughes (D-Montgomery and Philadelphia Counties) & Carolyn Comitta (D-Chester County)	Memo circulated on March 26, 2024 (<i>likely a companion bill to HB 1032</i>)

AGRIVOLTAICS OR AGRI-SOLAR

	HR 224	Prime: Christopher Rabb (D-Philadelphia County)	Final House passage (102-101), December 12, 2023
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DECOMMISSIONING AND BONDING OF SOLAR ENERGY PROJECTS

Requires decommissioning plans and financial assurances



	SB 211	Prime: Gene Yaw (R-Bradford, Lycoming, Sullivan, Tioga and Union Counties)	Final Senate passage (Y-36; N-13), March 8, 2023. Referred to the House Environmental Resources and Energy Committee, April 25, 2023
	HB 925	Prime: Kathy Rapp (R-Warren, Crawford and Forest Counties)	Referred to the House Environmental Resources and Energy Committee, April 25, 2023

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LEGISLATIVE PROPOSALS THAT AMEND PENNSYLVANIA'S **ALTERNATIVE ENERGY PORTFOLIO STANDARDS (AEPS)** or RAISE RENEWABLE GOALS

Alternative Energy Portfolio Standards (AEPS) Act of 2004ⁱ

Background

The Alternative Energy Portfolio Standards Act of 2004 (AEPS) is Pennsylvania's primary policy that has made measurable gains for Pennsylvania's solar industry. When this legislation was adopted in 2004, less than 1 MW of solar electric generation capacity was installed. Today, the solar industry has created over 6,300 jobs and is now generating more than 1,491 MWⁱⁱ of operating capacity with over 11 GW proposed for the region in coming years.ⁱⁱⁱ

The AEPS set a goal of generating 18% of its electricity from various types of "alternative" energy by May 2021 with 8% to come primarily from renewable energy and 0.5% coming from in-state solar. Pennsylvania's Electric Distribution Companies (EDC) and Electric Generation Suppliers (EGS)^{iv} are obligated to meet these goals through the purchase of Alternative Energy Credits (or also commonly referred to as Renewable Energy Credits or Solar Renewable Energy Credits – RECs or SRECs).

To date, the AEPS is the main policy that Pennsylvania has promulgated that explicitly supports solar generated electricity (net metering is the other important policy driver for onsite solar). However, Pennsylvania is losing its investment opportunities to neighboring states with policies that represent today's marketplace. While the AEPS has fallen behind in comparison to its neighbors, many states have designed policy strategies to attract investments from the solar industry (see picture below).

The AEPS's current goals are outdated and much lower compared to most neighboring states.^v This policy drives the price of the REC/SRECs and since the goal has been met and exceeded, the SREC price is quite low (~\$30-\$35 per credit^{vi}) when compared to neighboring states (MD: ~\$55-\$60^{vii} per credit; NJ: \$210-\$220^{viii} per credit.) Increasing Pennsylvania's goals via the AEPS would increase investment into solar energy because it would increase demand for SRECs.



Regional Renewable Energy Goals



- Favorable for solar




- Some possible benefit or PA Solar Center Neutral



- Possibly Unfavorable

Increase Tier I (Renewable Goals) to 30% with 14% In-State Solar by 2030 in the AEPS and Enable Community Solar


Guide	Bill #	Sponsors		History
	SB 230	Prime: Steven Santarsiero (D-Bucks County)		Referred to Senate Consumer Protection and Professional Licensure Committee, March 15, 2023
		Republicans - 0	Democrats - 15	
	HB 1467	Prime: Danielle Friel Otten (D-Chester County)		Referred to the House Environmental Resources and Energy Committee, June 21, 2023
		Republicans - 0	Democrats - 46	

Key Considerations:

- HB 1467 and SB 230 both:
 1. Increase the Tier 1 goal from 8% to 30%
 2. Increase the in-state solar carve-out from 0.5% to 14% by 2030
 3. Create three categories within the in-state solar carveout:
 - a) Customer Generators: Increase the *in-state solar carve-out to 4%* and limit it to customer generators. All existing solar systems should be grandfathered into this category. *(NOTE: Current in-state solar capacity is approaching 1%)
 - b) Community Solar: Enable community solar and creates an *in-state community solar category at 2%*. Community solar developers could build facilities for which subscribers purchase subscriptions and pay for their allocation of solar on their utility bills.
 - c) Utility-Scale Solar: Create an in-state, utility-scale solar carve out at **8%**
 4. **SPECIAL NOTE:** the only difference between HB 1467 and SB 230 are the Alternative Compliance Payments (ACP). The PA Solar Center prefers the ACPs included in HB 1467, which are \$45 for utility-scale solar, \$100 for customer-generators, and \$70 for community solar.
- For customer generators – The current in-state solar goal is 0.5% and includes all solar categories; however, the actual installed amount of in-state solar is almost 1%. In these proposals, all current projects would be grandfathered into the customer generation category, so an additional 3% (or about 3% of the state's electricity) of new generation would be needed to meet the goal of 4%. With the federal incentives and high electricity prices, there are now municipalities, schools, businesses, farms and other large institutions rapidly installing solar that will increase demand in the market to easily meet this goal.
- In-state solar applications for grid-scale solar currently in PJM's queue is about 22 GW of solar. Even if half of this is built, this is nearly what is required to meet the 8 GW needed for 8% in-state grid-scale solar goal in these bills.
- For community solar, a Penn State study estimated that there are currently a total of 235 community solar facilities across Pennsylvania in the planning process, with projected electrical generation capacity of 1,033 MW (or about 1% of Pennsylvania's energy). Again, with an additional seven years until 2030, this goal is also achievable.



Increases Renewable Goals to 35% by 2035, renames the AEPS to the Pennsylvania Reliable Energy Sustainability Standard

Guide	Bill #	Sponsors		History
	SB 1190	Prime: Steven Santarsiero (D-Bucks County)		Referred to the Senate Environmental Resources and Energy Committee, May 28, 2024
		Republicans - 0	Democrats - 13	
	HB 2277	Prime: Danielle Friel Otten (D-Chester County)		Referred to the House Environmental Resources and Energy Committee, May 8, 2024
		Republicans - 0	Democrats - 69	

Key Considerations:

- General Updates:
 - Pennsylvania Governor Josh Shapiro introduced a plan to amend the Alternative Energy Portfolio Standards Act of 2004 called the Pennsylvania Reliable Energy Sustainability Standard, or PRESS.
 - PRESS would change the name of the Alternative Energy Credits to Reliable Energy Credits (RECs)
 - This proposal adds definitions and eligibility for combined heat and power, hydrogen with carbon sequestration, fusion energy, and small modular reactors
- New Requirements:
 - Proposes raising the “Reliable” energy targets by 2035 for Tier I to 35%, keeping Tier II at 10% with adjustments, and creating a new Tier III at 5%
 - Prohibits the sale of RECs associated with projects that provide energy to virtual currency operations (i.e. cryptocurrency)
 - Establishes an in-state requirement for energy systems larger than 150 MW to earn RECs
- New Incentives and Programs:
 - Permits school districts to receive Tier I *and* Tier II or Tier III RECs not to exceed the school district’s annual requirement for electricity.
 - Beginning June 1, 2030, the PA PUC is permitted to increase the Alternative Compliance Payments for any Tier up to 15% to promote growth.
 - Requires the Sustainable Energy Fund to use funds for geothermal, storage, Tier I resources owned or leased by a school district, and no less than 40% of funds shall be dedicated to projects in environmental justice areas (Justice40)
 - Adds a Zero Emission Credit program for nuclear reactors for up to 75,000,000 MWh of generation per year. The program would be available 1 year prior to the expiration of the federal Section 45U credits for at-risk nuclear facilities (December 31, 2032)
- PRESS does not have specific incentives for in-state distributed solar, which is important to grow the DG market that is essential for building grid reliability, local workforce, and community resiliency needed to for realizing the grid of the future.




COMPARISON	
Alternative Energy Portfolio Standards	Pennsylvania Reliable Energy Sustainability Standards
TIER I	
Goal: 8% by 2021	Goal: 35% by 2035 (2.7% increase per year)
Resource Location: Permitted anywhere in PJM territory except in-state solar carve out	Resource Location: Permitted anywhere in PJM territory until 2030
In-State Requirements: <ul style="list-style-type: none"> 0.5% solar (as of the implementation of Act 40 of 2017) 	In-State Requirements: <ul style="list-style-type: none"> Current 0.5% in-state solar carveout eliminated by 2030 10% in-state by 2030 with no ramp up 1% per year increase until 30% in-state by 2050
Resources: <ul style="list-style-type: none"> Solar photovoltaic and solar thermal energy (includes 0.5% solar carveout) Wind power Low-impact hydropower Geothermal energy Biologically derived methane gas Fuel cells Biomass energy Coal mine methane 	Resources <ul style="list-style-type: none"> Solar photovoltaic and solar thermal energy (0.5% solar carveout sunsets in 2030) Wind power Low-impact hydropower Geothermal energy Biologically derived methane gas Fuel cells (moved to Tier II) Biomass energy (moved to Tier II) Coal mine <u>fugitive</u> methane <u>Advanced reactors</u> <u>Fusion energy</u> <u>Biogas energy</u>
Alternative Compliance Payments: \$45	Alternative Compliance Payments: \$45
Solar Alternative Compliance Payments: 200% of average market value of SRECs	Solar Alternative Compliance Payments: 200% of average market value of SRECs until 2030
TIER II	
Goal: 10% by 2021	Goal: 10% by 2035
In-State Requirements: 10% (as of the implementation of Act 114 of 2020)	In-State Requirements: 6% by 2026 with 0.5% increases per year until 10% by 2035
Resources: <ul style="list-style-type: none"> Waste coal Distributed generation systems Demand-side management Large-scale hydropower Municipal solid waste Electricity generated from wood pulping and wood manufacturing Integrated combined coal gasification 	Resources <ul style="list-style-type: none"> Waste coal <u>Non-Tier I</u> distributed generation systems Demand-side management Large-scale Hydropower Municipal solid waste Electricity generated from wood pulping and wood manufacturing Integrated combined coal gasification <u>Fuel cells</u>



	<ul style="list-style-type: none"> ○ <u>Natural gas or coal using 80% hydrogen co-fired blend or equivalent carbon intensity reduction technologies.</u> ○ <u>Biomass energy</u> ○ <u>Storage resources co-located with a Tier I resource with 10% nameplate capacity available every hour for a 24-hour period</u> ○ <u>Combined heat and power</u> ○ <u>In-state Tier I resources that don't claim Tier I credits (except for school)</u>
Alternative Compliance Payments: \$45	Alternative Compliance Payments: \$35
TIER III	
Goal: N/A (Tier III is not included in the AEPS)	Goal: 5% by 2035
In-State Requirements: Not Applicable	In-State Requirements: 3.8% by 2028, 4.4% by 2031, 5% beginning June 1, 2031
Resources – Not Applicable	Resources <ul style="list-style-type: none"> ○ <u>Natural gas or coal using 20% clean hydrogen</u> ○ <u>Waste coal</u> ○ <u>Municipal solid waste</u> ○ <u>Integrated combined coal gasification</u> ○ <u>Electricity generated from wood pulping and wood manufacturing</u> ○ <u>In-state Tier I resources</u>
Alternative Compliance Payments: Not Applicable	Alternative Compliance Payments: \$15

Creates a Separate Alternative Energy Standard Scheme (non-AEPS)


Guide	Bill #	Sponsors		History
	SB 1040	Prime: Lisa Boscola (D-Lehigh and Northampton Counties)		Referred to Senate Consumer Protection and Professional Licensure Committee, January 12, 2024
		Republicans - 0	Democrats - 4	
<p>→ SB 1040 would increase Pennsylvania’s renewable energy goals based on a business-as-usual vision for growth. The PA Solar Center does not support this bill because the renewable energy goals do not align with Governor Shapiro’s campaign promise of 30% renewables by the year 2030.</p> <p>→ This bill relies on the mechanics of the AEPS while also making changes to net metering, prevailing wage, and virtual meter aggregation.</p> <p>→ SB 1040 would require electric companies to obtain 7% “Class I” sources (identical to AEPS Tier I sources) with a \$45 Alternative Compliance Payment (ACP). The bill also calls for 2% distributed solar with an ACP of \$95 until 2029, then \$90 until 2034, \$85 until 2039, and \$80 until 2040 with \$5 drops per year after 2040. The bill also calls for 3% utility-scale solar by 2032 with an ACP of \$45 until 2037.</p>				



- These percentages are additive to the current AEPS goals of 0.5% solar and 7.5% Tier I, and 10%, which would make Pennsylvania's new Tier I goal 15% and a solar goal of 5.5% under SB 1040 and this would all be required to be purchased in-state.
- The goals in this bill represent a business-as-usual growth projection. In other words, this bill reflects what would likely occur if Pennsylvania did not increase its goals and authorized community solar.
- This bill would amend Pennsylvania's definition of "net metering" by removing "virtual meter aggregation" and the 2-mile virtual meter aggregation restriction in the current AEPS. This is an issue that electric utilities in Pennsylvania oppose.
- The co-sponsorship memo for this bill states that it will address excess generation from merchant generators "by limiting net metering to customer-generator's system designed to generate no more than 110% of the customer-generators requirements for electricity." However, the language in the bill does not address this issue.
- The bill does allow for virtual meter aggregation to be permitted across an electric utility's service territory for customer-generators if systems are designed to generate no more 110% of their total electricity demand or 200% if the system includes electric vehicle equipment.
- Virtually aggregated systems would not be permitted to be located on the same or adjacent parcel if the total capacity would exceed 3 MW, except for projects constructed on warehouses, brownfields, abandoned mine lands, capped landfills, and parking lot canopies.
- This bill would require prevailing wages for workers employed on an alternative energy system greater than 1 megawatt (MW).



Clean Energy Standard with Carbon Capture and Hydrogen in Pennsylvania

Guide	Bill #	Sponsors		History
	MEMO	Prime: Sharif Street (D-Philadelphia County)		Memo circulated March 6, 2023
		Republicans - xx	Democrats - xx	
Key Considerations: (based on 2021-2022 Session's SB 979)				
<ul style="list-style-type: none"> → This bill would rename the AEPS to be the Energy Future Act as well as create a Zero Emission Certificate (ZEC) program and a Carbon-Constrained Energy Credit. → The bill would add more qualifying facilities under the existing AEPS. The new tiers include Tier III for low-carbon coal, Tier IV for low-carbon natural gas, Tier V for existing nuclear, Tier VI for advanced nuclear, and 5) Tier VII for low-carbon hydrogen → Tier I renewable energy goals would increase to 15% with 5% solar by 2026 → Tier III (low-carbon coal) goals would be 2.5% by 2030 with 7.5% by 2048 → Tier IV (low-carbon natural gas) would be 2.5% by 2030 with 7.5% by 2048 → Tier VI (advanced nuclear) would be 0.5% by 2030 with 2.0% by 2048 → Tier VII (low-carbon hydrogen) would be 0.5% by 2030 with 2.0% by 2048 → A significant portion of this legislation is focused on the creation of a Zero Emission Certificate (ZEC) Program for Pennsylvania's existing nuclear power facilities, calling for research and further risk-analysis. → Under this legislation, EDCs would be required to purchase ZECs. EDCs would then be permitted to recover \$0.004/kWh from retail electricity customers and paid to PUC to support the ZEC program. → The bill aims to reduce CO2 emissions by 13.1% by 2026 based on 2020 levels, and eventually would reduce 100% of the CO2 emissions from the electricity sector by 2050. → This bill may not have support and some of these new resource tiers that are suggested are expensive and likely not market-ready. Adding many more tiers increases the costs to ratepayers. Provisions for how distributed solar are not specified and the PA Solar Center would be concerned that there would be adequate treatment of this segment of the market within a larger CES bill. 				

Expands Combined Heat and Power under the AEPS Tier II (non-solar bill)

Guide	Bill #	Sponsors		History
<i>n/a</i>	SB 181	Prime: John DiSanto (R- Dauphin County)		Referred to Senate Consumer Protection and Professional Licensure Committee, January 30, 2023
		Republicans - 2	Democrats - 1	
Key Considerations:				
<ul style="list-style-type: none"> → This bill would amend the AEPS Tier II by adding combined heat and power systems that serve commercial, institutional or industrial facilities within Pennsylvania. → Facilities must have an operating efficiency of at least 60% → Qualifying combined heat and power facilities would qualify for Tier II credits for systems up to 50 MW of combined generation on site. → This bill has no impact on solar but may help to reduce the escalating credit price for Tier II credits, which is dominated by just a few existing waste coal and large hydropower facilities (that don't create more jobs). → PA Solar Center has no position on this bill. 				

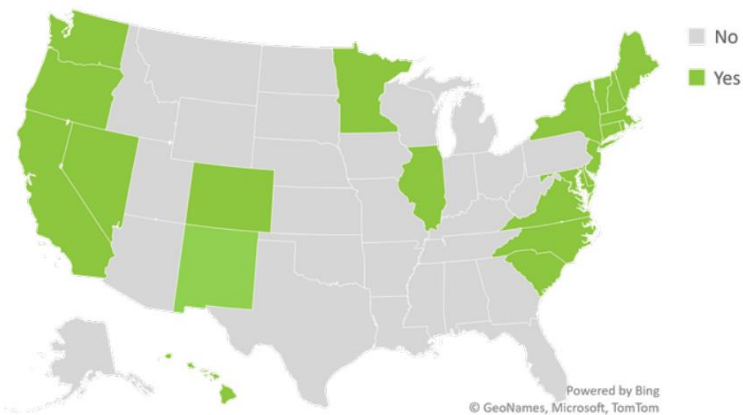


COMMUNITY SOLAR & SHARED SOLAR IN PENNSYLVANIA

Community solar is a business model that requires enabling legislation in Pennsylvania to allow solar projects to benefit multiple customers from an off-site solar array. In other states where community solar is permitted, electric customers can buy or lease a percentage of an off-site solar array and receive credit on their electric bills for the electricity generated commensurate with their share. The intent of the program is to provide the option for renters, homeowners, businesses, nonprofits, and others to benefit from locally generated solar because they may be restricted in their ability to install solar panels onsite for some reason.^{ix}

Over a dozen states have established community solar programs across the U.S. that represent a variety of approaches as well as similar characteristics that address subscriber eligibility, customer participation, project size limitations and ownership models.

It is important to evaluate the programmatic goals of a community solar program. First, community solar development projects are different from utility scale solar installations in that community solar arrays require customer subscriptions from ratepayers within certain areas. utility scale solar array sells electricity via the wholesale electricity market that is then bought by utilities or other large energy users and provided to customers. A community solar project provides customers with an opportunity to better manage the amount of electricity sourced from solar.



State-level community solar enabling legislation*

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Community solar programs attract investments from solar firms that specialize in developing and commissioning large scale solar installations that can engage local ratepayers to subscribe to their electricity usage to a community solar project.


Over the past few years, there have been several community solar proposals considered by the General Assembly. Some of the concerns in Pennsylvania include requiring prevailing wage regardless of the size of the development, ownership opportunities of community solar installations, minimum subscription requirements, the incentive mechanism, and maximum capacity requirements.

The Pennsylvania Solar Center supports passage of HB 1842, because is the most politically feasible bill in the legislature and has bi-partisan support.



Enables Community Solar in Pennsylvania


Guide	Bill #	Sponsors		History
	SB 230	Prime: Steven Santarsiero (D-Bucks County)		Referred to Senate Consumer Protection and Professional Licensure Committee, March 15, 2023
		Republicans - 0	Democrats - 15	
	HB 1467	Prime: Danielle Friel Otten (D-Chester County)		Referred to the House Environmental Resources and Energy Committee, June 21, 2023
		Republicans - 0	Democrats - 47	
Key Considerations:				
<p>→ See above under AEPS for outline of all the bill provisions as this bill also increases the AEPS goals from 8% to 30% by 2030 while also increasing the in-state solar goal to 14% with 2% to come from community solar.</p> <p><u>Community Solar:</u> These bills enable community solar and create an <i>in-state community solar category at 2% in the solar carve out of Tier I of the AEPS</i>. Community solar developers could build facilities for which subscribers purchase subscriptions and pay for their allocation of solar on their utility bills. The bill creates an SREC mechanism that provides developers a similar incentive structure as all other renewable energy projects receive, making it consistent across all Tier I resources. This bill provides a comprehensive policy approach that enables community solar and updates the AEPS renewable energy goals in the state. This consistency will help utilities comply with the AEPS structure that they are already accustomed to rather than creating a new structure just for community solar. This bill essentially places a ceiling on the percentage of community solar projects that would receive SRECs which helps to control ratepayer impacts, while also stimulating the market to help community solar projects flourish and save subscribers money on their electricity bills. A bill credits equivalent to the price to compare is provided to customers.</p> <p>A Penn State <u>study</u> estimated that there are currently a total of 235 community solar facilities across Pennsylvania in the planning process, with projected electrical generation capacity of 1,033 MW (or about 1% of Pennsylvania's energy). Again, with an additional seven years until 2030, this goal is also achievable.</p>				

Guide	Bill #	Sponsors		History
	SB 550	Prime: Rosemary Brown (R-Lackawanna, Monroe and Wayne Counties)		Referred to the Senate Consumer Protection and Professional Licensure Committee, April 13, 2023
		Republicans - 3	Democrats - 7	
	MEMO	Prime: Aaron Kaufer (R-Luzerne County) & Joseph Hohenstein (D-Philadelphia County)		Memo circulated on April 10, 2023 (<i>likely a companion bill to SB 550</i>)
		Republicans - xx	Democrats - xx	
Key Considerations:				
<p>→ SB 550 includes many of the same provisions as SB 472 and HB 1555 from the 2021-2022 session. There are several concerns with this bill's approach to enabling community solar, including costly provisions for a Grid Service Payment (GSP) of</p>				



- \$0.18/watt (DC) that developers would receive from the utility and which would be paid by ratepayers.
- The community solar facility would be eligible to receive the GSP once it has a minimum subscription level of 75%. After a five-year period, the Public Utility Commission (PUC) will calculate a value stack payment that subscribers would receive based on the grid services that community solar project provides and the subscribers would pay that amount.
- **No other state has adopted a community solar program as described in SB 550 that uses a grid service payment.**
- This bill would provide the mechanism to permit the building of community solar projects of up to 20 megawatts for projects located on land regulated by the PA DEP under the 1) Land Recycling Program, 2) Solid Waste Program, or 3) Abandoned Mine Reclamation Proclamation and up to 5 MWac for all other community solar projects in Pennsylvania.
- There are provisions that require all community solar facilities to have a decommissioning plan and prescribes bonding amounts of no less than \$10,000 per MWac and no more than 20% of a community solar facility may enter a landfill. PA Solar Center believes decommission language should match that of SB211.
- This bill would require all community solar facilities, regardless of size, to conform to the Prevailing Wage Act for construction, operations, maintenance and decommissioning.
- **EDCs (utilities) are permitted to keep the SRECs from these projects for the first 25 years. Because of this and without an increase to the solar carve out of the AEPS, these SRECs would severely dilute the current SREC market for distributed solar and for utility scale solar as the community solar SRECs would be taken first before other SRECs would be purchased by the EDCs.**
- Some are concerned about the ratepayer impacts of the GSP and value stack because of the high level of incentive and the lack of a ceiling on the amount of community solar that could receive the incentive. Some in the solar industry are concerned about the unknown and uncertain price of the value stack payment that will be determined by the PUC in the future and how to incorporate that into their financial modeling, since investors need certainty before agreeing to finance projects.


Community Solar Act

Guide	Bill #	Sponsors		History
	HB 1842	Prime: Peter Schweyer (D-Lehigh County)		Final House passage (Y-111; N-90), March 26, 2026. Referred to the Senate Consumer Protection and Professional Licensure Committee, April 22, 2024
		Republicans - 5	Democrats - 47	
Key Considerations:				
<ul style="list-style-type: none"> → This bill would authorize community solar in Pennsylvania by allowing for the development of community solar projects and programs that result in energy savings and increased access to solar resources. → Renewable energy credits associated with a community solar facility shall be the property of the community solar organization, making this bill highly reliant on a healthy AEPS and alternative energy credit market. → The bill calls for the PA Public Utility Commission to establish a bill credit that is available to all electricity consumers and appropriately values the energy, capacity and transmission values produced by the community solar facility. 				



- The subscription costs for a subscriber bill may not include upfront or sign-on fees or credit checks. This bill could be improved by requiring guaranteed savings based on default service provider rates.
- Under this bill, electric companies apply a bill credit to a community solar subscriber's monthly electricity bill for the proportional output of the community solar facility attributable to how much energy the consumer subscribed for. Excess credits roll over month to month.
- This bill would establish an interconnection working group to review policies, processes, tariffs, rules and standards associated with the interconnection of community solar.
- Under this bill, unsubscribed energy would be purchased by the electric distribution companies at wholesale cost as approved by the PA PUC to decrease the electric company's energy purchases.
- The bill includes language to promote the participation of low-income customers into community solar programs by leveraging federal and state funds and programs.
- This bill includes a requirement that any community solar facility that is acting as a community solar entity shall pay prevailing wages and benefits.
- **The Pennsylvania Solar Center supports passage of this bill, because it is the most politically feasible bill in the legislature and has bi-partisan support.**

Enables "Shared" Solar in Pennsylvania

Guide	Bill #	Sponsors		History
	HB 330	Prime: Perry Stambaugh (R-Perry and Juniata Counties)		Referred to the House Consumer Protection, Technology and Utilities Committee, March 13, 2023
		Republicans - 5	Democrats - 5	
	SB 1227	Prime: Daniel Laughlin (R-Erie County)		Referred to the Senate Consumer Protection and Professional Licensure Committee, May 30, 2024
		Republicans - 3	Democrats - 7	

Key Considerations:

- This bill allows EDCs/utilities the exclusive right to sanction the building of community solar-like projects but doesn't permit non-EDC entities to build solar projects for which they can solicit customers to get credit on their bills for the power generation. Therefore, it sets up a non-competitive situation that gives the utilities full control over the building of these projects -- or not (they may opt not to build at all since there is little incentive for them to do so).
- This bill would allow EDCs to issue proposals from solar developers to build solar projects up to 30 MW within their service territory and enter into long-term Power Purchase Agreements (PPAs). The EDCs could then solicit their customers to become subscribers to the facility to purchase a portion of the power and be credited on their electric bill, similar to a community solar program.
- This bill would establish a "Solar Energy Rate" that has the potential to include "green premiums" assessed by the utility.
- This bill includes a provision that would require a minimum of 5% to a maximum of 15% of a community solar facility's power to be sold to low income customers. This low LMI carveout creates a community solar program that is not equitably accessible across an EDC's service territory, further restricting LMI customers from participating in community solar programs.
- **Customers that receive net metering services may not participate.**
- This is not a true community solar program that allows private entities to build the projects and solicit customers to get credit through the EDC billing program.
- In addition, this bill permits EDC projects to be up to 30 MW, which is much larger than other community solar bills in other states – if this bill passes, it would create an unfair competitive advantage for the EDC programs because the EDC projects will benefit from economies of

scale and a first-mover advantage to utilize high-value solar areas. Projects that are 30 MW in size are typically considered utility scale solar projects and are not in the true spirit of community-scale projects.

- The PA Solar Center does not consider this bill as enabling a true community solar program that would meet the market needs for community solar demand but is rather a type of “shared” solar.
- **Some utilities have already issued Requests for Proposals to purchase energy from utility scale solar projects and enter into long-term contracts for the energy from those projects to supply a portion of their default service supply. The PA Solar Center applauds those utilities who are participating in this practice and encourages them to meet more of their default service with solar in order to stabilize energy prices. The fact that utilities can already participate in offering solar to their customers through default service also illustrates that lack of need for this particular bill.**

SOLAR ENERGY FINANCING AND TAX POLICY

An important component of any solar project is accessing a broad set of financing tools and incentives to bolster the economic opportunities afforded to solar stakeholders. For example, programs that enable safe and secure financing over a long period of time aligns the long-term technical and economic characteristics of a 25 - 30 year solar system. This scenario provides solar shareholders with a more balanced accounting of value that enables net positive growth in year 1.

Other programs, such as grants and rebate programs, provide direct payments to owners once project milestones are achieved, providing certain, calculable contributions to the project’s financial success. Other programs aim to reduce the financial requirements of a solar project by providing exemptions from tax payments or credits for desirable development projects. One of the most successful programs that has supported the solar industry has been the federal [Solar Investment Tax Credit \(ITC\)](#), which has supported a 10,000% growth in the solar industry since 2006, and has been further strengthened to include bonus credits for energy communities, low-income communities, and domestic content under the Inflation Reduction Act of 2022.

In the past, Pennsylvania has implemented programs such as the [PA Sunshine Program](#) which provided direct rebates for residential and small business solar systems. Although this first-come, first-served program helped develop hundreds of new solar installations across the state, it did not provide a sustainable financial model for future opportunities. The program could have opened access to larger systems and enabled a rotational financing model that supports marginal projects with the financial rewards of highly favorable projects.


Another important aspect of financing energy systems is the ability of utilities to provide customers with accessible and fair options for making energy choices. In Pennsylvania, utilities are permitted to implement on-bill-financing options to finance a solar systems to be paid over longer-terms, but currently none offer this option. Further, Pennsylvania already support a set of Sustainable Energy Funds that operate across the state to support clean energy projects; these funds receive cash from penalty payments for the utilities that do not comply with AEPS requirements. These Funds can be better leveraged at



institutional levels to maximize investment of funds that originate from customers that are paying to support these programs.

BILLS THAT ADDRESS TAX POLICY

Solar State Tax Exemptions

Guide	Bill #	Sponsors		History
	SB 61	Prime: Vincent Hughes (D-Montgomery and Philadelphia Counties)		Referred to Senate Finance Committee, January 18, 2023
		Republicans - 0	Democrats - 11	
	HB 518	Prime: Ed Neilson (D-Philadelphia County)		Referred to House Finance Committee, March 17, 2023
		Republicans - 0	Democrats - 14	
	HB 520	Prime: Ed Neilson (D-Philadelphia County)		Referred to House Finance Committee, March 17, 2023
		Republicans - 0	Democrats - 14	

Key Considerations:

- HB 518 and SB 61 would exempt solar energy equipment from taxation at the retail point of sale during the installation, maintenance, or repair of solar energy devices.
- Eliminating this tax would bring down the cost of solar at the point of purchase for customers. [25 other states](#) have this exemption. Arizona, for example, provides a sales tax exemption for the retail sale of solar energy devices and for the installation of solar energy devices by contractors. Colorado exempts from the state's sales and use tax all sales, storage, and use of components used in the production of alternating current electricity from a renewable energy source.
- HB 520 exempts all solar devices from any PA property taxes. 36 states offer property tax exemption for solar systems. In Nevada, one of their renewable energy property tax exemptions allows businesses to apply for a property tax abatement of up to 55 percent for up to 20 years for real and personal property used to generate solar. Generation facilities must have a capacity of at least 10 megawatts.

SOLAR DECOMMISSIONING AND BONDING POLICY

Bonding and decommissioning refer to activities that deal with the end of life of a solar system and the financial requirements to carry out those activities.

Decommissioning is the process of dismantling and removing the solar equipment from a site at the end of the contract or at the end of the life of the system. Decommissioning a solar photovoltaic system typically includes removing the panels, wiring, inverters, and mounting system as well as restoring the land and/or infrastructure to a condition determined in a decommissioning plan. Often when land owners are leasing their land for large-scale solar development, the leasing agreements between the landowner and solar developer will articulate the process for decommissioning.

Currently, only 15 states have adopted statewide decommissioning legislation. Those states that have adopted decommissioning legislation often require a decommissioning plan



prior to project construction as well as advanced proof of financial security for the costs associated with decommissioning. Of the 15 states with decommissioning legislation, eight have enacted a model that sets a statewide decommissioning standard and enables localities to adopt programs that fit their needs.

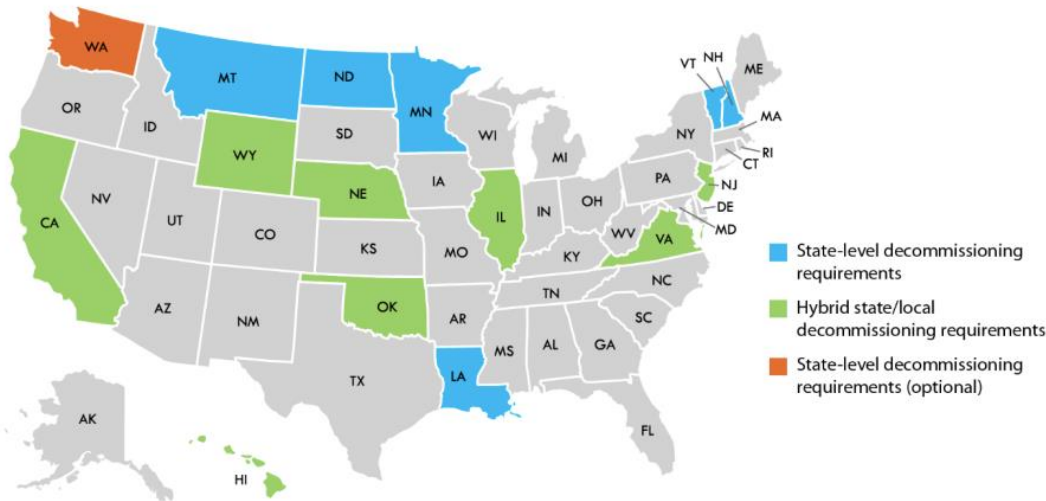




Figure 1. Map of state solar decommissioning policies in the United States

Map: NREL Survey of Federal and State-Level Solar System Decommissioning Policies in the United States <https://www.nrel.gov/docs/fy22osti/79650.pdf>

An important aspect of any decommissioning standard is the calculation methods used to determine financial assurance for land owners, local governments, and project developers. If the policy’s requirements are overly stringent, the policy will raise costs and potentially discourage development. Further, if decommissioning legislation doesn’t appropriately account for salvageable materials at deconstruction or requires unnecessarily large financial assurances too early in a project’s useful life, then projects can be stalled and diverted to more inviting regions.

A bond is often issued at the beginning of the project that will ensure that there is money at the end of the life of the system to dismantle the system. This is important so that the landowner is not fiscally responsible for the removal of the system and also to ensure that the equipment will not be abandoned as much other energy infrastructure has done throughout the state.

Bonding legislation is important to assure that financial resources will be available as necessary, especially for projects on farmland and other usable land. However, bonding policy must consider the appropriateness of bond rates based on a number of variables, including project-specific factors as well as site-specific values.

Guide	Bill #	Sponsors		History
	SB 211	Prime: Gene Yaw (R-Bradford, Lycoming, Sullivan, Tioga and Union Counties)		Final Senate passage (Y-36; N-13), March 8, 2023. Referred to the House Environmental Resources and Energy Committee, April 25, 2023
		Republicans - 7	Democrats - 0	
	HB 925	Prime: Kathy Rapp (R-Warren, Crawford and Forest Counties)		Referred to Environmental Resources and Energy Committee, April 25, 2023
		Republicans - 14	Democrats - 0	

Key Considerations:

- SB 211 and HB 925 would create statewide decommissioning requirements and proof of financial assurance for solar facilities larger than 2MWac except for net-metered customer-generators and facilities owned and/or operated by a qualified agricultural operation. HB 925 includes additional requirements for facilities planned for specific USDA-NRCS soil classifications and facilities using more than 10 acres.
- These bills would require the PA DEP to consult with the solar industry in the development of a statewide standard decommissioning plan and for decommissioning plans to be submitted to the appropriate county recorder of deeds.
- Under SB 211 and HB 925, decommissioning would be required to take effect 18 months after a facility has stopped producing electricity (unless actively recommencing generation) as well as baseline restoration requirements.
- SB 211 and HB 925 both would require a specific percentage of the decommissioning costs to be secured through a financial assurance mechanism 30 days before construction commences. SB 211 includes considerations for salvage value, and HB 925 does not consider salvage value. Bonded amounts are to be updated every 5 years until year 25. Decommissioning amount is to be determined by a third-party.
 - SB 211:
 - 30 days before construction: 10% of decommissioning cost;
 - Year 5: 10% of decommissioning cost;
 - Year 10: 40% minus salvage value but not < 25% of decommissioning cost;
 - Year 15: 60% minus salvage value but not < 40% of decommissioning cost;
 - Year 20: 80% minus salvage value but not < 60% of decommissioning cost;
 - Year 25: 100% minus salvage value but not < 70% of decommissioning cost.
 - HB 925
 - 30 days before construction: 10% of decommissioning cost;
 - Year 5: 10% of decommissioning cost;
 - Year 10: 25% of decommissioning cost;
 - Year 15: 40% of decommissioning cost;
 - Year 20: 60% of decommissioning cost;
 - Year 25: 70% of decommissioning cost.
- Salvageable material is limited to steel, aluminum and copper.
- This bill does not acknowledge that the solar industry standard is to provide financial assurances in their land lease agreements with landowners. There are a number of different bonding or other options that are available to ensure that solar panels are managed appropriately. **Having a statewide standard is not necessarily a negative issue. Some solar developers prefer to have one set standard rather than navigate different requirements in different regions or counties.**
- **PA Solar Center would prefer to see SB 211 pass rather than HB 925 because the House bill does not include salvage value which is an important factor when calculating end of life values.**



SOLAR RECYCLING POLICY

According to a U.S. Department of Energy study on the solar supply chain, over 90% of the components of a solar panel can be recycled. The National Renewable Energy Laboratory reports that solar that has reached its end-of-life could reach 1 million metric tons by 2030 and up to 10 million metric tons by 2050. These facts present significant opportunities for Pennsylvania to leverage its manufacturing skillsets and legacy of innovation to take advantage of the growing interest in domesticating the solar supply chain.

PV panels typically consist primarily of glass, aluminum, copper, silver and semiconductor materials that can be successfully recovered and reused. Approximately 95% of all solar panels installed globally are made of silicon crystalline PV solar cells, which are the most efficient cells on the market today. The panels are made from common materials -- glass, aluminum, and steel -- and the cells are constructed using silica sand. The other components include ethylene vinyl acetate (EVA) encapsulate (commonly used as padding in sports equipment such as ski boots, bike saddles, running shoes), and the electrical components in the junction box. There is no cadmium in silicon-based solar cells.

By weight, more than 80 percent of a typical PV panel is glass and aluminum – both common and easy-to-recycle materials. In addition, many functioning solar panels that are decommissioned can be resold and reused for many years to come.

While most PV panels have a useful life of 30 years or more, like any technology, they will inevitably reach the end-of-life. High-value recycling, like the [Solar Energy Industries Association \(SEIA\) National PV Recycling Program](#), helps minimize lifecycle impacts and recover valuable and energy-intensive materials, increasing sustainability within the PV industry.



Circular economy principles aim to transition from the traditional, linear economic model of “take-make-consume-dispose” to a model that relies on the cost benefits of collection, remanufacturing, recycling, and repurposing. Solar developers, distributors, manufacturers, and others along the solar supply chain can integrate circular economy practices into their operations and build strategic partnerships with entities that recycle




glass, aluminum, scrap metal and electronics to strengthen the needed growth in solar repair, recycling, refurb, and resale services. End of Life solar materials that do not currently have established recycling or refurbishing options materials must be managed safely and discarded carefully following federal, state and local guidance and regulations. Circular economy approaches seek to avoid landfill waste, including the sourcing of materials that cannot be recycled or refurbished.

Pennsylvania’s total solar capacity has consistently increased for over a decade and will continue to grow for decades to come. While the global solar supply chain develops, Pennsylvania businesses, landowners, citizens, and local governments are best served by a localized solar supply chain. New market opportunities exist in solar repair, recycling, refurb, and resale that will lead to expanded employment and enhanced competitiveness in the solar market. Localized supply chains decrease manufacturing and installation costs and increase jobs, local tax revenues, and consumer trust. Federal programs are available to re-equip, expand or establish facilities that produce or recycle solar. The federal Advanced Energy Project Credit provides a tax credit of up to 30% for these projects and it prioritizes investments in energy communities, which includes a majority of Pennsylvania. Pennsylvania can further strengthen the incentive to invest in the Commonwealth’s solar supply chain by advancing state programs that provide financial assistance for manufacturers of solar equipment that focus on growing the solar workforce.

The PA Solar Center recommends that the PA Dept. of Environmental Protection establish a working group to study the appropriate methods of recycling and reuse of PA solar equipment as well as study the economic development potential of helping PA create a regional recycling industry. The PA Solar Center also recommends that the state avoids creating a separate recycling program that may differ from national programs that are developing.

Solar Recycling

Guide	Bill #	Sponsors		History
	SB 455	Prime: Cris Dush (R-Cameron, Centre, Clinton, Elk, Jefferson, McKean, and Potter Counties)		Referred to Senate Environmental Resources and Energy Committee, March 14, 2023
		Republicans - 4	Democrats - 0	
Key Considerations:				
<ul style="list-style-type: none"> → This bill calls for solar panels to be added to the state’s "Covered Device Recycling Act," which would require solar manufacturers, importers and installers to establish reclamation and recycling programs and include these costs in their pricing. → Several waste recycling companies testified at the committee’s hearing in 2020 and stated that it is not appropriate for solar panels to be added to the Covered Device Recycling Act because of the nature of the equipment. → While solar recycling programs are important – and could create additional job opportunities in the supply chain in Pennsylvania if done appropriately – this process laid out in this bill is unnecessarily burdensome and expensive to the solar industry in PA. → The PA Solar Center opposes this bill. 				



OTHER POLICY PROPOSALS THAT COULD IMPACT SOLAR

The following policy proposals have been introduced in Pennsylvania’s General Assembly and are being tracked by the PA Solar Center.

Solar for Pennsylvania Schools


Guide	Bill #	Sponsors		History
	HB 1032	Prime: Elizabeth Fiedler (D-Bradford, Philadelphia County)		Final House passage (Y-134; N-69), June 29, 2023. Referred to the Senate Community, Economic and Recreational Development Committee, July 27, 2023
		Republicans - 2	Democrats - 52	
	MEMO	Prime: Vincent Hughes (D-Montgomery and Philadelphia Counties) and Carolyn Comitta (D-Chester County)		Memo circulated March 26, 2024 <i>(likely a companion bill to HB 1032)</i>
		Republicans - xx	Democrats - xx	

Key Considerations:

- The “Solar for Schools Act” would fund a competitive grant program that would fund up to 50% of a solar project’s costs for school districts, intermediate units, career and technical schools, schools for the deaf or blind, community colleges and technology colleges.
- The bill would authorize the Department of Community and Economic Development (DCED) to oversee the program’s administration including technical assistance as well as developing educational materials on solar and the Inflation Reduction Act.
- Eligible applicants would be required to conduct a feasibility analysis and any employer or contractor that is assigned to a project funded by this program must pay prevailing wages.
- Preference is given to projects that demonstrate the greatest amount of solar energy production relative to existing usage at the school and schools in low-income communities as well as communities within close proximity to coal-powered electric generation plants that have closed or will close imminently.
- The program would encourage schools to integrate solar into educational curriculum and encourage schools to direct energy costs savings to environmental and health hazard remediation, indoor air quality and other facility improvements.
- While the PA Solar Center supports this bill, we would like to see this bill include a revolving loan fund that would be available to schools with a combination of grants and loans. With the Inflation Reduction Act, schools are eligible to receive a direct pay option of 30% of the cost of the system and possible additional adders totaling up to 50% or more of the system cost. With this amount benefit plus a long-term loan or a combination of grants+loans, the schools could realize enormous costs savings immediately. A revolving loan fund would enable the state to assist more schools to go solar with a lower amount to money.



Transitioning to 100% Renewables by 2050


Guide	Bill #	Sponsors		History
	HB 1740	Prime: Christopher Rabb (D-Philadelphia County)		Referred to the House Environmental Resources and Energy Committee, October 3, 2023
		Republicans - 0	Democrats - 24	
	SB 422	Prime: Amanda Cappelletti (D-Delaware and Montgomery Counties) & Katie Muth (D-Berks, Chester, and Montgomery Counties)		Referred to Senate Environmental Resources and Energy Committee, May 2, 2023
		Republicans - 0	Democrats - 11	

Key Considerations:


- These bills call for the transition the Commonwealth to 100% clean, renewable energy by 2050. It calls for 100% renewable electricity for residents, institutions, businesses, State and municipal agencies and other entities operating in PA by 2035, and 100% renewable energy for electricity, heating and cooling, transportation, agricultural uses, industrial uses, and all other uses by 2050.
- Under these bills, a Renewable Energy Transition Task Force would be established to conduct studies to determine the benefits of transitioning to 100% renewable energy.
- These bills would also create a Just Transition Community Advisory Committee to ensure public participation in the Task Force’s activities
- These bills would call on the Governor to establish a Renewable Energy Center of Excellence as well as research renewable energy laws and barriers to achieving 100% renewables and report to the aforementioned Task Force.
- A Council for Renewable Energy Workforce Development would be established by these bills to support employment growth opportunities in the renewable energy sector that pay at or greater than prevailing wage.
- These bills call for the Department of Environmental Protection to study pathways towards 100% renewable energy for the buildings sector while evaluating energy burdens of low-income communities and ways to increase energy efficiency.
- These bills limit the amount of energy permitted to be produced from nonrenewable sources. By 2030, no more than 50% of energy comes from nonrenewable sources, 20% by 2040 and 0% by 2050.
- These bills call for the installation of an additional 100 MW of solar and other clean energy capacity on Pennsylvania lands as well as goals for the future.
- Because the goals are so lofty, these bills are likely not to pass.




Ensures Homeowners in an HOA Can Access Solar Energy

Guide	Bill #	Sponsors	History
	SB 31	Prime: Katie Muth (D-Berks, Chester, and Montgomery Counties)	Referred to Senate Urban Affairs and Housing Committee, January 18, 2023
		Republicans - 0 Democrats - 10	
	HB 1759	Prime: Liz Hanbidge (D-Montgomery County)	Referred to House Local Government Committee, October 16, 2023
		Republicans - 0 Democrats - 19	
Key Considerations:			
→ This bill would amend Title 68 (Real and Personal Property), to make explicit that homeowners that are part of a homeowner's association have the right to install solar panels on their property's roof.			

Sale of Alternative Energy Credits

Guide	Bill #	Sponsors	History
	MEMO	Prime: Gene Yaw (R-Bradford, Lycoming, Sullivan, Susquehanna, and Union Counties)	Memo circulated on December 5, 2022
		Republicans - xx Democrats - xx	
Key Considerations (based on 2021-2022 Session's SB 945)			
→ This bill would require the Department of General Services to sell credits derived from eligible projects under the AEPS that have been authorized by agencies under the jurisdiction of the Pennsylvania Governor (not institutions of the state's system of higher education or political subdivisions)			
→ Proceeds from the sale of alternative energy credits would be deposited into a Marcellus Legacy Fund to plug orphan and abandoned oil and gas wells.			
→ This bill was introduced in response to the Pennsylvania Governors announcement to install new solar arrays totaling 191 MW to produce nearly 50% of state government's electricity (PULSE (Project to Utilize Light and Solar Energy))			
→ The Solar Renewable Energy Credits that the PULSE installations generate would be retired upon purchase by the Commonwealth to ensure that the existing SREC market is not disrupted by a large influx of state-owned credits.			
→ The PA Solar Center opposes this bill.			

Prevailing Wages for Renewable Energy


Guide	Bill #	Sponsors	History
	HB 949	Prime: Elizabeth Fiedler (D-Philadelphia County)	Referred to House Labor and Industry Committee, April 17, 2023
		Republicans - 0 Democrats - 30	
Key Considerations:			
→ This bill would require renewable energy projects of any size that are supported by public funds in Pennsylvania to pay workers at least prevailing wage.			
→ Projects that would be required to conform to this requirement include projects that produce renewable energy or a project that provides energy-related goods and			



services (EV infrastructure, weatherization) and is financed, funded or paid for, in whole or in part, with funds of a public body, which shall include federal, state or local tax credits, tax abatements, grants, loans, government stimulus or public bonds.

- This bill does not reference to the size parameters of renewable energy projects that would be required to conform to this requirement, leaving smaller systems at a potential disadvantage to compete with similar energy development projects. This provision could hurt small businesses developing smaller solar projects.
- The federal Inflation Reduction Act already requires projects greater than 1 MW to include prevailing wage if the projects want to receive the 30% tax credit. The PA Solar Center does not support creating a more stringent requirement than already set by the federal legislation except possibly for public work or government projects that already require inclusion of this language in their bidding proposals.

Restricting Solar in Certain Locations and Tax Credit Program

Guide	Bill #	Sponsors	History
	SB 798	Prime: Doug Mastriano (R-Adams and Franklin Counties) Republicans - 5 Democrats - 0	Referred to Senate Agriculture and Rural Affairs Committee, June 28, 2023


Key Considerations:

- This bill would create the “Solar Energy Facility Location Act” which would restrict landowners from leasing their land for solar or building solar on Class 1 or Class 2 soils (per the Land Capability Classification System)
- Under this bill, land owners developing solar on brownfields, abandoned mine lands, capped landfills, warehouse rooftops, and parking canopies would be eligible for a tax credit equal to \$0.03/kW (\$30/W) but no greater than 30% of the project’s cost of electricity generated for the first 10 years of operation.
- The tax credit would be made available on a first-come, first-served basis and capped at \$5 million per year while administered through the Department of Community and Economic Development.
- This bill would not apply to existing solar projects, projects with a nameplate capacity of 2 MWac or less, or customer-generators.
- This bill would authorize the Attorney General to take action to remove a solar project that violates the bill’s restrictions on solar projects developed on Class 1 and Class 2 soils.
- **The PA Solar Center does not support this bill because it disingenuously tries to protect farmland by prohibiting solar development. The main cause of farmland loss in Pennsylvania is low-density housing development for which farmers lose the land forever and it is permanently paved over and cannot revert back to farming. Solar development, on the other hand, actually preserves farmland by keeping the ownership of the land with the farmer. The land remains fallow during the solar production years and then can return to farming at the end of the life of the solar and will have provided a steady lease income to the farmer to continue farming other parts of their land during that time.**
- **This bill hypocritically would allow farmland to be sold, built on with a huge warehouse and parking lots and then incentivize the building of solar on the warehouse.**
- **The PA Solar Center would only support a prohibition bill on solar on farmland IF it disallowed all forms of development on farmland, not just solar, which is one of the least detrimental land uses.**
- **If 10% of our electricity was met with utility scale solar, it would require only about 1% of Pennsylvania’s land surface, so this bill does little to preserve farmland.**



- **The PA Solar Center also does not support this bill because it places a statewide restriction on solar development based on soil quality, which would be nearly impossible to monitor. There is an abundance of different soil qualities often present on any single parcel of Pennsylvania's diverse land with ever-changing quality of soil. This proposal would invite litigation and continuous disagreement among landowners and state agencies, negating any potentially positive impacts the bill hopes to achieve.**
- The PA Solar Center recognizes and appreciates the vital contributions of Pennsylvania's farmers and agricultural community as well as the rights of farmers to make decisions about the use of their own land without government interference. The PA Solar Center works to increase awareness about solar's farmland preservation qualities, including non-permanent land-use, income, and continued agricultural production as well as the benefits of Agrivoltaics, or AgriSolar, which co-locates solar energy generation, food production, farming and other activities on the same land.
- The PA Solar Center also would like to see lands such as abandon land mines, brownfields, landfills and carports be incentivized for solar as that does take pressure off building on less desirable places, but the tax credit offered in this bill is inadequate and does not provide the necessary incentive that developers need for these difficult projects.

Independent Energy Office


Guide	Bill #	Sponsors		History
	SB 832	Prime: Gene Yaw (R-Bradford, Lycoming, Sullivan, Tioga and Union Counties)		Final Senate passage (Y-28; N-22), May 1, 2024. Referred to the House Consumer Protection, Technology and Utilities Committee, May 1, 2024.
		Republicans - 7	Democrats - 0	

Key Considerations:

- This bill would amend the PA Administrative Code to provide new definitions for the Pennsylvania Energy Development Authority (PEDA), an independent public financing authority created in 1982.
- This bill was originally written to establish a new Independent Energy Office that would advise the state on energy policies, conduct studies of energy production and generation, and advance energy resource development opportunities.
- This bill has been significantly amended from its original version to change the name of PEDA to the Pennsylvania Opportunities with Energy Reliability Authority (POERA) and authorize alternative permitting programs as well as a regulatory waiver program.
- The bill would authorize the POERA to provide an alternative permit review process for energy projects if a state agency has not issued an approval or denial of a permit within the statutorily defined timeframe, or within 120 days, whichever occurs first.
- Under this bill, if an energy project applies for the POERA to review their permit application, POERA will review within 10 days and determine whether the permit requires further technical review. If it is determined that the permit requires further review, the POERA board will then come to a determination independently and issue a decision to the state agency where the permit originated on whether to approve or deny a permit. **This could create a confusing scenario for state agencies, developers and communities during the permitting process. The POERA is seemingly being designed to circumvent existing permitting processes that are backlogged.**
- This bill would also create a regulatory waiver program for large-scale energy projects (larger than 25 MW). Applicants would submit information to seek a waiver on any regulations imposed on an applicant. If the application is accepted by the Board, the project is not subject to enforcement until the issue is resolved. This could create confusion for local officials seeking information on projects in their communities.




Accelerating Pennsylvania’s Energy Production

Guide	Bill #	Sponsors		History
	HB 2338	Prime: Elizabeth Fiedler (D-Philadelphia County)		TBD
		Republicans - 0	Democrats - 21	

Key Considerations:

- This bill would strengthen and clarify the role of the Pennsylvania Energy Development Authority (PEDA), an independent public financing authority created in 1982, by updating PEDA’s enabling legislation with language that clarifies PEDA should finance projects that conserve energy, generate renewable energy, and beneficially electrify homes, businesses, and transportation infrastructure.
- This bill would permit PEDA to apply for and receive tax credits made available by the Inflation Reduction Act on behalf of the Commonwealth as well as apply for and administer federal grant programs.
- The bill would also call on PEDA to consider programs that assist low-income and disadvantaged communities as well as businesses and local governments to promote job creation.
- Under this bill, PEDA could be involved in project development from planning and design through construction to operation, although the primary purpose of PEDA is to provide capital, leverage private capital, and make investments that deploy renewable energy resources.

Commissioning a study on Agrivoltaic farming


Guide	Bill #	Sponsors		History
	HR 224	Prime: Christopher Rabb (D-Philadelphia County)		Referred to House Local Government Committee, September 29, 2023 Final House passage (102-101), December 12, 2023
		Republicans - 0	Democrats - 8	

Key Considerations:

- The House Resolution notes that Pennsylvania has lost 6,000 farms between 2012 and 2017, mostly due to low-density residential development, and that solar can be a farmland preservation tool.
- The resolution aims to find solutions that can preserve farms in Pennsylvania through the use of renewable energy, identifying government entities could benefit from agrivoltaics, legislative solutions to boost agricultural activity, suggestions for stabilizing rising costs for farmers, and methods that support the complimentary nature of solar and farming production.
- The resolution directs the Joint State Government Commission to issue a report by December 2024.



Promotion of Renewable Opportunities, Supporting People, Employment and Resilience (PROSPER Act)

Guide	Bill #	Sponsors		History
	HB 2315	Prime: Lindsay Powell (D-Allegheny County)	Republicans - 0 Democrats - 10	Referred to House Finance Committee, May 22, 2023
Key Considerations:				
<ul style="list-style-type: none"> → This bill would create a tax credit program for businesses that manufacture alternative energy resources and operate alternative energy resources, including solar, and require full-time employees. → A tax credit could be claimed by the owner of a business that assist workers in their transition from a pollution-intensive job. Tax credits could be claimed against the taxpayer’s qualified tax liability. → The intention of the tax credit is to provide funding for training programs and assist more workers enter green jobs. Tax credits could be claimed for up to 350 individuals. → The amount of the annual tax credit for each new job is \$500 for a job with a salary of \$50,000 or more. The credit would be increased by \$100 for taxpayers that establish a physical location within a 10-mile radius of an existing pollution-intensive industry’s physical location. The credit could be increased by \$500 for each displaced worker from a pollution-intensive industry. Additional tax credits are provided based on the percentage ranking of unemployment claims in the mining, quarrying, and oil and gas extraction sectors of the county. For those in the top percentile, an extra \$500. 90th percentile, \$450, 80th percentile, \$400...20th percentile, \$100. 				

ⁱ Pennsylvania General Assembly. 2004 Act 13 <https://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2004&sessInd=0&act=213>

ⁱⁱ <https://www.seia.org/states-map> and <https://e2.org/reports/clean-jobs-pennsylvania-2023/>

ⁱⁱⁱ <https://pennaeps.com/wp-content/uploads/2024/05/aeps-2023-report-final.pdf>

^{iv} The terms “Electric Distribution Company” and “Electric Generation Supplier” are defined in 52 Pa. Code §75.1 (relating to definitions under the Alternative Energy Portfolio Standard)

- **EDC—Electric distribution company**—The public utility providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners/operators that manage the internal distribution system serving the building or facility and that supply electric power and other related electric power services to occupants of the building or facility.
- **EGS—Electric generation supplier**—
 - (i) A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to December 16, 2006, brokers and marketers, aggregators or any other entities, that sells to end-use customers electricity or related services utilizing the jurisdictional transmission and distribution facilities of an EDC or that purchases, brokers, arranges or markets electricity or related services for sale to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
 - (ii) The term excludes building or facility owner/operators that manage the internal distribution system serving the building or facility and that supply electric power and other related power services to occupants of the building or facility.
 - (iii) The term excludes electric cooperative corporations except as provided in 15 Pa.C.S. Chapter 74 (relating to generation choice for customers of electric cooperatives).

^v <https://www.ncsl.org/energy/state-renewable-portfolio-standards-and-goals>

^{vi} <https://www.srectrade.com/markets/rps/srec/pennsylvania>

^{vii} <https://www.srectrade.com/markets/rps/srec/maryland>

^{viii} https://www.srectrade.com/markets/rps/srec/new_jersey

^{ix} <https://www.energy.gov/eere/solar/community-solar-basics>

