

**BEFORE THE
HOUSE CONSUMER PROTECTION,
TECHNOLOGY AND UTILITIES COMMITTEE**

Testimony of

Patrick M. Cicero
Consumer Advocate

Pennsylvania Office of Consumer Advocate

Regarding
House Bill 1842 (Community Solar)

Harrisburg, Pennsylvania
February 14, 2024

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**House Consumer Protection, Technology, and Utilities Committee
Public Hearing on HB 1842 (Community Solar)**

Good morning, Chairman Matzie, Chairman Marshall and Members of the House Consumer Protection, Technology, and Utilities Committee. My name is Patrick Cicero and I have the privilege of serving as Pennsylvania's Consumer Advocate at the Pennsylvania Office of Consumer Advocate (OCA). The OCA was created in 1976 to serve as an advocate for Pennsylvania consumers before the Public Utility Commission (PUC). This includes issues related to solar energy and the impact on Pennsylvania's ratepayers. Thank you for the opportunity to testify this morning about HB 1842.

Overview

The OCA supports access to distributed energy resources in general including rooftop, community, and local solar if consumer protections¹ are in place for subscribers and for other consumer ratepayers who do not subscribe. Community solar provides the option for a broader group of consumers, particularly consumers who may not be able to afford individual rooftop solar, who rent their home, or whose property is not appropriate for a solar installation, to obtain the benefits of this renewable resource. In addition, community solar facilities *could* provide benefits to the electric grid such as increasing the reliability and resiliency of the grid, while also reducing carbon emissions. While Pennsylvania has seen the development of individual rooftop solar facilities over the past few years, the deployment of community solar has the potential to significantly, if not exponentially, increase the amount of solar on our utility systems. As we move forward, the OCA believes that there should be a measured approach to ensure that the

¹ It is important to ensure that the existing protections under the Public Utility Commission and the Office of Attorney General are not undermined or eliminated by the proposed legislation. The sale of subscriptions must remain subject to general consumer protection laws overseen by the Office of Attorney General.

development of community solar projects benefit all ratepayers in a fair and balanced way, do not undermine cost-effective default service, and provide appropriate consumer protections for subscribers.

The proposed legislation includes several protections that the OCA supports, including the following:

- Limitations on the size of any bill credit to account for only the monetary value of electric generation provided by the system (Section 3 “Bill Credit”);
- Limitation on the size of the system that can be sited and placed in service (Section 3 “Community solar facility”);²
- Standardization of customer disclosure forms (Section 6(b));
- Limitation on subscription costs to no more than the value of the bill credit, including limitation on the ability to charge up front fees (Section 6(c));
- Ensuring the community solar organizations compensate the electric distribution company for “the reasonable costs of interconnection of a community solar facility” (Section 8 (a)); and,
- Ensuring the electric distribution company costs are recovered from subscribers rather than non-subscribers (Section 8(b)).

However, there are several aspects of the bill that raise consumer protection issues and concerns that I outline more fully below. Before addressing those specific concerns, it is important to contextualize that community solar will be a new model to Pennsylvania and may not be well

² Note that there appears to be an extraneous “not” contained in the definition of a community solar facility when referencing a brownfield or rooftop community solar facility. *See* Section 3, “Community solar facility: subsection (3)(ii). I believe this subsection should read “20,000 kW of AC for a facility **that is** a brownfield or rooftop community solar facility.”

understood by consumers. In addition, it may not be easy to comparison shop for community solar projects if more than one is in a service territory. The promises and expectations of savings or benefits may depend on a variety of factors that will need to be clearly explained and disclosed to the consumer. This is why the standardized disclosure form is a critical consumer protection. Consumers will not be familiar with this new resource and may not have a clear, readily available means to compare the offer to other service offerings. A standard disclosure form that clearly informs consumers of the key elements of the transaction will promote understanding and informed choice.

A disclosure form, however, is only one part of the necessary consumer protections. Any legislation should also specify that the Commission must adopt regulations that, at a minimum, address the full requirements for disclosure; the acceptable contract terms and conditions, including standard contract term language; the standards for sales and marketing conduct; the procedures for enforcement of the regulations, and penalties for non-compliance. This is not unlike the PUC regulations for the sale of energy by third party energy generation suppliers. *See* 52 Pa. Code Ch. 54.

Comments about HB 1842

In general, as noted above, HB 1842 has some positive elements as compared to many of the community solar bills that have been and are currently circulating within the General Assembly, that said, I have some concerns that require clarification or course correction before our office would support the bill.

Concerns about the interaction of community solar and default service.

My first concern is that the legislation should unequivocally state that the community solar facility (CSF) must make available and provide energy and capacity equal to the amount of energy and capacity contracted for by each subscriber and the unsubscribed energy. While the definition of a CSF talks about the “delivery” of energy the language should be tightened to ensure that the energy cannot only physically be delivered but is actually delivered and provided to the electric distribution company (EDC) in an amount equal to that which is contracted for by subscribers or bought as unsubscribed energy. This appears to be the intent, but to avoid ambiguity it should be made clear.

I am also concerned about the interaction of the energy purchases made by the EDC pursuant to this legislation and the requirement to provide default service to customers who do not receive service from a retail electric generation supplier. *See* 66 Pa C.S. § 2807(e). As a practical matter, pursuant to HB 1842, EDCs will backstop the sale of all energy from the community solar facility – either because of bill credits to subscribers or as a result of unsubscribed energy. The cost associated with these purchases is unknown but will be at an administratively determined rate set by the PUC, per the terms of Section 3, at the “monetary value of each kilowatt hour of electricity generated by [the CSF].” In addition, Section 5(b) sets a floor for the bill credit at the price to compare paid by default service customers. Lastly, Section 10 requires the EDC to purchase the bill credits for unsubscribed energy “at the electric distribution company’s wholesale energy cost as approved by the commission.”

Thus, the total output of the system will be bought by the EDC – either through bill credits paid to subscribers or payments to the CSF for unsubscribed energy – and will presumably replace some portion of the EDCs’ default service purchases. In this way, it can be looked at a little like a

long-term power purchase agreement (PPA) that some EDCs have as a part of their default service procurement plans albeit more fragmented and at an administratively determined rate. I have several concerns about the interaction of these provisions.

First, there is no ceiling in HB 1842 about the amount of community solar that can be sited or installed in an EDC service territory each year or period. While Section 12 would allow the PUC to establish limitations on the location of facilities in proximity to each other, it should also permit the PUC to establish targets or ceilings on the amount of community solar that can be sited in an EDC's service territory during a given period and require the EDC to coordinate with developers planning to site CSFs when the EDC is doing its default service procurement planning. Default service procurement plans typically last for four years and it would likely make load forecasting more difficult for default service procurement if an EDC does not know how much CSF load will be available during the plan period. Since the EDCs' purchase of CSF load would offset load purchases by the EDCs in their default service plans, the EDCs would need some insight into the planned development and interconnection of CSF load to reasonably accommodate braiding in these CSF offsets.

Second, the price for unsubscribed energy that the EDC is required to buy in Section 10 is at the "electric distribution company's wholesale energy cost as approved by the commission." It is not clear what is meant by this reference. The PUC approves a default service plan with a portfolio of products that are designed to produce default service rates that are at least cost over time. *See* 66 Pa C.S. § 2807(e). The EDCs have various portfolio approaches. Some EDCs include PPAs, some block and spot purchases, some full requirements contracts and some a mix of these contracts all purchased on the wholesale market or through bi-lateral agreements. They make these purchases in tranches at various times throughout their approved default service plan and so there

is no one price for energy. The price charged by the EDCs as default service providers – known as the price to compare (PTC) – changes quarterly (PECO) or semi-annually (all other EDCs), and blends all these purchases, as well as over/under collection reconciliation, when setting prices. Thus, it is not clear whether the reference in Section 10 is meant to refer to the PTC at the time of the purchase, whether it would be some annualized version of the PTC, or something else. We recommend that this be clarified prior to finalization of the bill. Whatever the price, it will be an administratively determined price rather than a competitively procured price. The better approach may be to tie it to prices in the wholesale market for energy even if there is the inclusion of an additional cost for the value of solar at a rate determined by the PUC.

Concerns about retail choice customer participation.

In addition to the concerns that I outlined above for default service, the bill would allow customers who are served by a retail electric generation supplier to also participate as a subscriber and receive a bill credit because the bill defines “electric distribution customer” as a customer of the EDC “regardless of whether the [EDC] is the customer’s supplier of electric generation or not.” An EGS is required to deliver the energy needed by its customers to the EDC service territory. It is not at all clear why an EDC should have to pay bill credits to a customer when that EDC has not procured energy for an EGS’ customer. In other words, unlike a default service customer that subscribes to community solar under this bill, the EGS’ customer will not “offset” generation delivered into the utility’s service territory because of power produced by the CSF.

In order to avoid the potential for unintended cross-subsidization of suppliers – and charging default service customers for energy that is not delivered for default service – it may be necessary to amend the bill to make it clear that it applies only to customers who are on default service from

the EDC. This would simplify things considerably and would still allow customers who want a different mix of energy to contract for that mix through a retail supply contract.

Concerns about consumer protection provisions.

Section 3 of HB 1842 makes it clear that neither a community solar organization nor a subscriber administrator is to be considered a public utility for purposes of the Public Utility Code. In addition, Section 3 of the bill makes clear that the subscription will be paid by a consumer subscriber pursuant to a contract with the subscriber administrator. Finally, pursuant to Sections 5 and 7, the bill credit will be paid by the EDC to the customer on the customer's electric bill each month with the ability to carry forward credits.

This bifurcation of the payment of subscription costs from the application of bill credits in and of itself is not troubling, but the legislation should make it clear that since neither the community solar organization nor the subscriber administrator is a public utility under the Public Utility Code, neither of these entities should bill for utility service provided by the EDC. In other words, I am concerned that HB 1842 may create a path for consolidated billing that is not performed by the EDC. This would be inappropriate in my judgment and would create significant legal and technical implementation concerns. These concerns are elevated by the fact that Section 6(b) provides reference to Ch. 14, Ch. 15, and Ch 56 (regulations) and indicates that both a community solar organization and a subscriber administrator are subject to their provisions. I appreciate the inclusion of consumer protections, but these references make little sense if the product in question (subscription costs) is not a utility service, and the entity billing (the subscriber administrator) is not a utility. Thus, the bill should be amended to make it clear that the EDC isn't billing for subscription costs and the community solar organization or subscriber administrator cannot bill for EDC costs and that all utility service will remain billed by the EDC. If this is done,

then the bill should eliminate reference to Ch 14, Ch. 15, and Ch. 56 (regulations) because those provisions already apply to EDC-billed costs and there would be no need for them to apply to subscription costs, especially since pursuant to Section 6(c), subscription costs are considered non-basic services which means that their non-payment cannot result in a loss of utility service.

Thank you for the opportunity to provide feedback and suggestions about HB 1842. My office stands ready to be a resource to this Committee throughout the process of determining what changes may be needed prior to consideration of HB 1842. I look forward to working together collaboratively on these issues for the benefit of all Pennsylvania consumers. I would be happy to answer any questions you may have about my testimony, the changes that we have proposed, or those proposed by others.



Pennsylvania State Building and Construction Trades Council AFL-CIO

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Testimony Before the Pennsylvania House Consumer Protection, Technology and Utilities Committee January 16, 2024 Hearing on HB 1842, Community Solar Legislation

**TESTIMONY BY: Robert S. Bair-President
Pennsylvania Building and Construction Trades Council**

Pennsylvania Chairman Matzie, Chairman Marshall and Members of the Committee:

I thank you both for the opportunity and invitation to testify today on what is certainly a tremendous priority for the trades and we're encouraged by the serious attention that the General Assembly is paying to community solar.

As you both know all too well, I have spent my adult life in Pennsylvania as a 36-year member of the International Brotherhood of Electrical Workers, and in June of 2022 I was fortunate enough to be elected president of the Pennsylvania Building & Construction Trades Council. I know the value of hard work and I fight every day to make sure that our Building Trades members are heard and represented in the halls of government.

I champion our unions, support and foster apprenticeships and encourage young people to get involved in the trades. I do this because I care about Pennsylvania and its workers.

Community solar will help our established workers, but it will also attract new ones. I often work with our existing apprenticeships to search for young people looking to enter a trade and spread the word about the value of these fields. If we pass this legislation and develop these sites, we will be able to give more opportunities to those that are looking to enter trades, want to work with their hands and earn the income that they need as costs of living continue to rise.

Every single person in this room is well aware of the default rate energy spikes that have been seen over the course of the last several years. Your bills have gone up, your constituents' bills have gone up, and our baseload generation has been reduced. Community solar seeks to add to that very baseline generation by providing an option, not a mandate across each utility service territory in the Commonwealth.

Over the past year, The Statewide Building Trades have worked with developers and legislators alike to ensure that prevailing wage is included in this legislation. While I may just be a little bit biased in saying this—it has been proven time and time again that utilizing trade labor at prevailing wage gets projects done quickly, responsibly, and reliably.

We're thrilled at the Administration's efforts to review permitting reform and get bureaucracy out of the way to move projects that deliver for Pennsylvania, as this program clearly will. Finally, we've spent time lobbying down in Washington to advocate for the full and complete funding of Pennsylvania's FOUR HUNDRED MILLION DOLLAR application to build out the initial market for community solar and solar for schools.

The introduction of a measured and concise solar energy plan will not disrupt the existing types of energy in the state and the many jobs they support – it will be additive. The energy we receive from natural gas, nuclear and coal will still be our baseload generation for the immediate future and these jobs will remain. Community solar will add to the diversity of our grid while helping combat greenhouse gas emissions and allowing us to maintain grid reliability as we move forward.

Too often, organized labor and the trades are accused of not supporting “good environmental policies”.

1. Of course we support energy diversification that will result in more jobs for our members.
2. Of course we’re going to support projects that are done safely and done right the first time.
3. That doesn’t mean that we don’t support renewables and any effort that will bring more in-state generation.

Community solar is a perfect mix of cost-efficient, proven renewable policy that the trades support and will stand with industry to build a lasting, sustainable market. It works in every market that has a well-crafted program, programs that resemble Representative Schweyer’s bill.

Community solar works in Republican states, it works in Democratic states, and it works in purple states. That’s why this bill has bipartisan support, and we look forward to a bipartisan vote from this committee.

Respectfully,



Robert S. Bair
President



**Testimony Before the
Pennsylvania House Consumer Protection, Technology and Utilities Committee
January 16, 2024
Hearing on HB 1842, Community Solar Legislation**

**TESTIMONY BY: Alfred “Buddy” Franklin-Recording Secretary
International Brotherhood of Electrical Workers, Local #5**

Pennsylvania Chairman Matzie, Chairman Marshall and Members of the Committee:

Thank you for the opportunity to be here today and testify on the position of IBEW Local 5. Our members are excited about the jobs that community solar can bring and our role in providing a highly trained workforce to meet the demand.

For those of you who don't know me, my name is Buddy Franklin and I've been a member of the International Brotherhood of Electrical Workers for over twenty years. I've served in a number of roles in our union and today serve as the Recording Secretary, covering Pittsburgh, its suburbs and the greater region of Western and Central Pennsylvania. IBEW Local #5 has been training electrical workers in Western Pennsylvania for over 126 years, including proactively training our members in solar / photovoltaic installation work for the better part of the last decade. We're thrilled that this legislation, House Bill 1842, dictates Pennsylvania prevailing wage rates for installations and the investment in safety and reliability.

Community solar will help our existing workforce, but it will also attract new workers. I often work with our existing apprenticeships to search for young people looking to enter a trade and spread the word about the value of these fields. If we pass this legislation and develop these sites, we will be able to provide more opportunities to those that are looking to enter trades, desire to work with their hands, and earn an income that they need as the costs of living continue to rise.

The introduction of a measured and concise solar energy plan will not disrupt the existing types of energy in the state and the many jobs they support – it will have an additive affect. The energy we receive from natural gas, nuclear, and coal will still be our baseload generation for the immediate future and these jobs will remain. Community solar will add to the diversity of our grid while helping to reduce greenhouse gas emissions, and allowing us to maintain grid reliability as we move forward.

Community solar is a perfect mix of cost-efficient, proven renewable policy that we support and will stand with industry to build a lasting, sustainable market. It works in every market that has a well-crafted program, programs that resemble Representative Schweyer's bill. Community solar has worked in every jurisdiction that has set up a robust market. It will work in Pennsylvania and we have the best trained workforce ready to deliver.

Respectfully,

Alfred Franklin

Recording Secretary
IBEW Local 5



January 16, 2024

To: Chairman Matzie, Minority. Chairman Marshall and Members of the Consumer Protections, Technology, & Utilities Committee

Re: Public Hearing on House Bill 1842

Thank you for giving the Coalition for Community Solar Access (CCSA) the opportunity to discuss community solar policies in Pennsylvania.

CCSA is a national coalition of businesses and non-profits working together to expand customer choice. Together, we are building the electric grid of the future where every customer has the freedom to support the generation of clean, local solar energy to power their lives. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. The solution begins with the customer.

Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We have members headquartered in Pennsylvania, and others who are interested in investing in our Commonwealth.

CCSA submits testimony in strong support of HB1842.

Community Solar 101

Community solar will allow the private sector to work in collaboration with the local utilities to provide clean energy to our local communities and ultimately reduce costs to customers. Community solar refers to local, third-party owned, solar facilities shared by multiple community subscribers that receive credits on their electric bills for their share of the power produced. Community solar provides homeowners, renters and businesses equal access to the economic benefits of solar generation, regardless of the physical attributes, financial barriers, or property ownership.

Today, more than 50% of American households and businesses do not have access to solar due to these common barriers¹. Community solar provides anyone who pays an electric bill access to solar energy without the need to install a solar system on site. It democratizes solar energy, provides energy choice for customers and diversifies our generation sources with homegrown energy. This ultimately builds a stronger, distributed, and more resilient electric grid.

Community solar facilities are considered a distributed generation resource, meaning they are

connected to the grid and serve customers in a single utility territory. Community solar does not use the transmission side of the grid. These facilities would be statutorily limited to be no larger than 5MW and strictly prohibited from building projects on neighboring parcels, in order to prevent community solar projects from becoming larger scale utility projects using different market mechanisms. Typically, 1MW project would require approximately 4-6 acres of underutilized land, brownfield, or landfill to develop. Therefore a 5MW project would be around 30 acres of land.

HB 1842 has decommissioning language in the bill for all project sizes to ensure the greatest level of protection for landowners and communities. CCSA and our member companies are committed to working with legislators, County Commissioners, municipal leaders, government agencies, the Farm Bureau, and other interested stakeholders to ensure landowners are protected throughout the development and decommissioning processes with bonding and financial assurances.

Economic Benefits

There are 40 states that have at least one Community Solar Facility online and 20 states plus Washington, D.C have passed legislation to enable community solar facilities². In the region, Virginia, Delaware, Maryland and New York have active community solar programs and Ohio has community solar legislation pending. These programs have created tens of thousands of jobs nationwide and have, and will continue to, spur billions in local economic investments in each of those states.

According to an analysis from Penn State College of Agricultural Sciences' Center for Economic and Community Development, the construction of new community solar facilities in the commonwealth would generate an estimated \$1.8 billion in economic impact, create over \$793 million in labor income, and support 12,000 total jobs in various sectors across Pennsylvania, including many in construction. The study analyzed 235 planned community solar projects across 48 counties which can move ahead if community solar legislation passes the General Assembly.

Once operating, Penn State research projected that these facilities will generate over \$83 million in economic output annually and generate an additional \$574,260 in annual real property tax collections for municipalities in 48 rural and urban counties.

Report author Tim Kelsey of Penn State's Center for Economic and Community Development observed that "these projects will not be confined to just one region, but rather will be spread across broad swaths of the state, offering counties the potential to capture jobs and tax revenues in their own local economies."

The Commonwealth would also see a 75% increase in solar jobs, paying no less than prevailing wage. This will create \$1.06 billion in economic earnings for Pennsylvanians. Many of the new solar jobs created by HB 1842 provide opportunities to develop a pipeline of innovative and skilled labor in rural and urban communities alike, allowing the Commonwealth to rethink and reshape economic development through emerging technologies.

HB 1842 will drive much needed tax dollars into our local communities which will be paid by the

community solar developers. These dollars can help fund schools, lower property tax burdens for seniors, fund critical infrastructure needs for the community, emergency services or whatever a community deems a priority.

HB 1842, will enable community solar projects in the Commonwealth by removing red tape that is preventing a competitive market and, importantly, this bill will not raise taxes. Specifically, the legislation collects administrative fees from programmatic applications for all appropriations required to administer the program by the Public Utilities Commission. Furthermore, community solar developers pay the utilities for the administrative upgrades and staffing needs for new solar market management.

When this bill passes, Pennsylvania will see a new stream of corporate investments from a different arm of the solar industry.

Income Opportunities for Farmers and Landowners

Community solar presents an enormous opportunity for farmers in Pennsylvania to obtain year-round and dependable income to improve the economics of their farms by leasing a small portion of their land for community solar development. This is a practice that is becoming increasingly popular in rural America. Many farmers do not see a feasible path for farm succession and it is important that the legislature consider alternatives to bolster farm viability and support new farmers in succession planning. Farmers need help now given the average age of a farmer in Pennsylvania is 55 and many of them will be looking to respectfully retire in the next few decades. .

As mentioned above, community solar installations are an effective means of supplementing income to help keep family farms financially viable in challenging and changing markets. CCSA has been working closely with many farmers in Pennsylvania; here are their stories:

- Paul Mason of Nottingham, Pennsylvania is fortunate enough to have land that stretches across the state line between Pennsylvania and Maryland. On his Maryland property, he has leased seven acres of land for a community solar project. The money he receives through his 25- year land lease allows for greater efficiencies in farm finances and is helping to provide an economic security blanket during these tough times. However, he is eager to see the passage of HB 1842 so he can lease a portion of his land in Pennsylvania for community solar. This additional community solar facility will help ensure the economic viability of his family farm so he can pass it on to his children.
- Franklin County Farmer Dennis Coons has signed a community solar lease with a CCSA member company as a means to ensure he is able to keep his parents' dairy farm in the family. HB 1842 provides an opportunity for his family to earn income that could help support this goal and bring needed economic recovery dollars home to his region.
- Steve Lynn, a resident of Columbia County has leased approximately 40 acres of land to participate in a community solar program and Gail Tucci of Crawford County has also signed a lease with a CCSA member. She is a small business owner who has

been hit hard by the pandemic and believes that community solar can help stabilize her income while protecting her from future risks.

- Maley Lysle of Carlisle is excited the community solar lease will provide her parents a stable income while providing tax revenue and job growth for her local community which is something that she notes, “we desperately need.”
- Retired Farmer Tom Reitz from Union County has been faced with many tough decisions regarding his 80-year old farm in recent years but community solar has provided him the option to keep all of his land.

All of these farmers and landowners as well as many more throughout the Commonwealth are waiting for the passage of HB 1842 as a lifeline, not just another opportunity.

CCSA members are committed to building long standing relationships, anchored in trust with individual farmers, the Farm Bureau, and local communities to execute contracts and leases that serve the farmer and the community’s unique needs. Additionally, the industry is committed to innovation and technology to make solar panels more efficient, agro-photovoltaic uses and technologies readily available, and development techniques to preserve the health of the land and ensure dual usage.

Considering that 98% of farms in Pennsylvania are family owned and operated, the impact of enabling community solar is economically significant for farmers, local municipalities, and the commonwealth as a whole.

Customer Savings and Program Structure

CCSA has been working with the bipartisan cosponsors of HB 1842 as well as various stakeholder groups to tailor the bill to the unique needs of Pennsylvania. This includes requiring all community solar subscriptions save consumers money, ensuring the benefits of the program are borne by all rate classes, and allowing the Public Utilities Commission (PUC) to develop a long term market that represents the interests of the state and all parties involved.

CCSA has worked diligently with some of the Electric Distribution Companies (EDCs) and wide ranging stakeholders including small and large businesses, the financing community, the solar industry, agricultural interests, county decision makers, trade unions, conservation organizations, consumer advocacy groups, and others to make comprehensive changes to community solar legislation introduced in previous sessions.

Some of these changes include:

- Establishing a community solar market without expanding net metering,
- Removing the red tape for limiting subscriptions and bill credits in current laws, b,NVM
- Robust regulation by the PUC, including but not limited to the study and development of a Value of Solar.
- Prevailing wage
- Decommissioning, bonding, and increased landowner protections

The stories above and letters of support submitted are a small sample of the broad and overwhelming support from 80% of Pennsylvania voters who want the legislature to take action on community solar legislation and the more than 60% who want access to the choice to participate in a community solar program.

CCSA looks forward to working closely with Chairmen Martin and Matzie, Members of the Consumer Protections Committee, and Representative Schweyer to bring this new economic opportunity to the state of Pennsylvania in 2024. Thank you for your time and consideration, we look forward to submitting oral testimony in Harrisburg at the hearing on Community Solar.

Sincerely,

Elizabeth Van Holt, New Markets Director
Coalition for Community Solar Access



To: Chairman Matzie, Minority Chairman Marshall and Members of the Consumer Protections, Technology, & Utilities Committee

Re: Public Hearing on [House Bill 1842](#)

Thank you for giving Summit Ridge Energy (SRE) the opportunity to submit comments concerning solar energy in the Commonwealth. SRE is the nation's leading long-term owner-operator of community solar assets. Our team develops and acquires small to medium sized solar energy and battery storage facilities. In fact, we own the largest community solar project in the nation, which is proudly sited on a large commercial roof. To date, SRE has deployed over \$1.6B in capital and we own over 150 operating solar and storage facilities across the country. We are headquartered in Arlington, VA with over 140 employees working across offices throughout the country, including here in Pennsylvania.

Summit Ridge Energy is a proud member of the Coalition for Community Solar Access (CCSA), who actively works with customers, utilities, local stakeholders, allies, and policymakers to develop and implement best practices that ensure community solar programs provide a win-win solution for the Commonwealth.

Community Solar 101

Community solar allows the private sector to work in collaboration with our local utilities to provide home-grown energy to our communities and reduce costs to customers. Community solar refers to third-party owned solar facilities shared by multiple subscribers who receive credits on their electric bills for their share of the power produced. Today, more than 50% of American households and businesses do not have access to solar due to common barriers such as roof attributes, financial limitations, or property ownership. Community solar provides anyone who pays an electric bill access to solar energy without the need to install a solar system on site. It expands access to solar for all, creates competition, drives down electric prices, provides energy choice for customers, and diversifies our generation sources.

Savings for Consumers

This session, Representative Schweyer and Chair Matzie introduced [House Bill 1842](#) to enable community solar in Pennsylvania. Anchored in current statute and regulations, community solar will be enabled with complete oversight and regulatory authority of the Public Service Commission, have robust consumer protections, and improve customer choice for local generation. Furthermore, community solar modernizes the grid with private capital, does not require state taxes for Commission control, and contemplates developer fee structures for utility administrative costs for the program. Lastly, community solar can aid the Commonwealth in maximizing federal investments and tax credits for low-to-moderate-income consumers and energy community investments.

Economic Benefits

According to an analysis from Penn State College of Agricultural Sciences' Center for Economic and Community Development, the construction of new community solar facilities in the commonwealth would generate an estimated \$1.8 billion in economic impact, create over \$793 million in labor income,



and support 12,000 total jobs in various sectors across Pennsylvania. The study analyzed 235 planned community solar projects across 48 counties which can move ahead if community solar legislation passes the General Assembly. Once operating, Penn State's research projected that these facilities would generate over \$83 million in economic output annually and generate an additional \$575,000 in annual real property taxes for 48 rural and urban counties. Report author Tim Kelsey observed that ["These projects will not be confined to just one region, but rather will be spread across broad swaths of the state, offering counties the potential to capture jobs and tax revenues in their own local economies."](#) The Commonwealth would also see a 75% increase in local solar jobs, paying family sustaining wages. This will create \$1.06 billion in economic earnings for Pennsylvanians. Many of the new solar jobs created provide opportunities to develop a pipeline of innovative and skilled labor in rural and urban communities alike, allowing the Commonwealth to rethink and reshape economic development through emerging technologies.

Summit Ridge Energy and other CCSA member companies have already been making large investments in the Commonwealth, in anticipation of enabling community solar. Over \$15 million dollars have been committed or spent in these communities in the past four and half years, including cash payments to farmers, landowners, non-profit organizations, and building owners. These dollars have, and can continue to; help fund schools, lower property tax burdens for seniors, fund critical infrastructure needs, emergency services, or other priorities deemed by the authority having jurisdiction.

[House Bill 1842 presents an enormous opportunity for farmers in Pennsylvania to obtain year-round and dependable income to improve the economics of their farms by leasing a small portion of their land for community solar development.](#) This is a practice that is becoming increasingly popular in rural America. Community solar installations are an effective means of supplementing income to help keep family farms financially viable in challenging and changing markets.

Community Solar Siting

Community solar facilities are considered a distributed generation resource, meaning they are connected to the grid and serve customers in a single utility territory. Community solar does not use the transmission side of the grid. These facilities would be statutorily limited to be no larger than 5MW and strictly prohibited from building projects on neighboring parcels, ensuring they stay small and community based. Typically, 1MW project would require approximately 4-6 acres of underutilized land to develop. Therefore, a 5MW project would be no larger than 30 acres of land. A study conducted by Penn State found just over 4,000 acres would be required to build 1,000MW of solar, assuming all facilities are developed on agricultural land. Importantly, community solar siting is not limited to farms and can be sited effectively on brownfields, landfills, and rooftops.

Ultimately, passing Representative Schweyer's [HB 1842](#) will save Pennsylvanian's money while building a stronger, lower cost, and more resilient electric grid. Summit Ridge Energy looks forward to the opportunity to work with Chairman Matzie, Minority Chairman Marshall, and all members of the committee to bring this new economic opportunity to our state and save consumers money.

Sincerely,

Leslie Ann Elder, Vice President of Political and Regulatory Affairs
lelder@srenergy.com



TESTIMONY
TO THE
HOUSE CONSUMER PROTECTION, TECHNOLOGY AND UTILITIES
SUBMITTED BY
DUQUESNE LIGHT COMPANY
February 14, 2024
10 am

COMMUNITY SOLAR: HOUSE BILL 1842

Chairman Matzie, Chairman Marshall, Chairman Schweyer, members of the Consumer Protection, Technology and Utilities Committee. On behalf of Duquesne Light Company, I would like to thank you for the opportunity to provide our perspective on energy policy as it pertains to community solar legislation in Pennsylvania and its impact on ALL electric customers. We very much appreciate the Committee’s willingness to examine this issue.

I would especially like to thank Chairman Schweyer for his continued work on community solar legislation. We greatly appreciate your continued work and dedication to expanding solar energy in Pennsylvania.

My name is David Fisfis. I am the Vice President (VP) of Energy Policy and General Counsel for Duquesne Light Company (DLC), an electric distribution company (EDC) serving the greater Pittsburgh area in Allegheny and Beaver Counties. For more than a century, we have been working around the clock to deliver safe and reliable electric service to communities in Southwestern Pennsylvania.

Duquesne Light Company

Duquesne Light Company has been an integral part of the fabric of Pittsburgh and the surrounding area. Our employees take pride in supporting the delivery of safe, dependable energy for greater comfort and leisure, faster communications, more efficient transportation, enhanced economic development, and improved health care for virtually every facet of life. We live and breathe the duty of maintaining a secure, resilient energy infrastructure for our communities.

Today, our core values of safety, integrity, dependability, equity, and community enable us to serve more than 600,000 customers. We are committed to safely powering our customers’ lives while playing a leading role in Southwestern Pennsylvania’s clean energy transition. Our vision is to create a larger-than-light, clean energy future for all by delivering exceptional results today and boldly harnessing opportunities for tomorrow. In doing so, we can ensure a cleaner, healthier, and more equitable community for generations to come.



Energy and Energy Policy in Pennsylvania

While the purpose of today's hearing is primarily to discuss community solar, I would be remiss if I did not also take this opportunity to speak about the importance of having an energy policy plan in place as Pennsylvania seeks to increase clean energy resources.

As many of you know, Pennsylvania is one of the nation's leading energy producers in traditional energy sources (coal, oil, nuclear, natural gas) and is poised to be a future leader in renewable, zero-carbon, and distributed energy resources. As our energy profile becomes cleaner and increasingly diverse, DLC recognizes the need for and supports the development of a comprehensive state energy plan to advance the distribution, generation, transmission, conservation, and consumption of energy in the Commonwealth of Pennsylvania. It is imperative that in crafting that plan, we seek to **balance affordability, reliability, and resiliency**, recognizing the importance of 24-7 energy sources in the transition to a cleaner energy future for all.

While Pennsylvania's energy source portfolio has drastically changed over the past 10 years, our energy policy has not been touched in 15 to 20 years—not since the Rendell Administration, with passage of Act 129 of 2008- Energy Efficiency and Conservation; Act 35 of 2007 (amending the Alternative Energy Portfolio Standards Act, aka AEPS); and Act 213 of 2004- AEPS original passage, and similarly, Pennsylvania has not had a comprehensive energy plan in decades.

Pennsylvania's Energy Plan needs to recognize the continued value of the grid, and the complexity of planning and operating a changing distribution system that integrates diverse, distributed, interconnected and variable resources. **Therefore, I encourage you not to consider solar energy in a vacuum, but as part of a broader suite of policies, as we look to address energy policy more comprehensively.**

We look forward to partnering with the Legislature and the Shapiro Administration, to develop a state energy plan and support policy that enables Pennsylvania to maintain our status as a top energy producer and exporter, while seeking to decarbonize the energy sector in a way that is equitable, affordable and enables the growth of clean energy technology, while supporting economic growth and job creation throughout the Commonwealth.



Transitioning Pennsylvania to a Clean Energy Future for ALL

Once again, decarbonizing Pennsylvania’s energy sector must be done in a way that is equitable and affordable for Pennsylvanians, and enables the growth of clean energy technology.

Legislators should look for ways to grow and advance clean energy that are **cost effective and do not result in unreasonable cost-shifting**, and implement legislation that aligns with Pennsylvania’s utility and regulatory operating structure, leverages new and innovative technology and does not allow “gaming” of the system.

Many stakeholders prefer to increase solar in Pennsylvania by expanding the Alternative Energy Portfolio Standards (AEPS)—utility scale solar is the most cost-effective solar. Expanding the existing AEPS program is more efficient and cost-effective than building a new program from scratch and applies to all load-serving entities (both EDCs and Electric Generation Suppliers, or EGSs) equally. This is our preferred mechanism for expanding renewable energy in the Commonwealth. However, we realize that this is not the issue at hand here today.

DLC supports expanding solar and other renewable energy in Pennsylvania, consistent with our mission to enable a clean energy future for all. Apart from increasing solar via an increase in AEPS requirements, there have been several legislative options introduced that seek to expand access to solar energy in Pennsylvania, including community solar proposals such as House Bill 1842.

Community Solar

House Bill 1842, which enables community solar projects to be constructed in Pennsylvania, has been offered as a legislative option to increase solar development in Pennsylvania. Over the past few legislative sessions, we have seen community solar proposals that include provisions that unreasonably shift solar project costs to non-solar customers. In doing so, non-solar customers are forced to pay for the development costs of these projects, as well as the distribution service.

Perhaps one of the most egregious costs, in our opinion, found in prior versions of community solar bills, was the “grid services payment,” where EDC non-solar customers are forced to pay community solar developers an annual **per watt** payment based on nameplate generating capacity.

To give you an idea of the potential financial impact to customers, we can look to the Senate’s current version of the community solar bill, Senate Bill 550. This bill implements an \$.18 per watt grid service payment. Under this bill, community solar projects cannot exceed 5,000 kW for non-brownfield or rooftop and 20,000 kW for brownfield or rooftop community solar facilities. So, for simplicity’s sake, to calculate the overall potential cost to customers for an average project, we calculated the cost of a 5,000-kW and 20,000-kW community solar project.



First, to convert watts to kW, we must multiply 18 cents by 1,000, which equals a charge of \$180 per kW; \$180 multiplied by 5,000 (kW) equates to \$0.9 million per year, and over five years, as is required by Senate Bill 550, we arrive at a five-year grand total cost of \$4.5 million per 5,000 kW project. Using that same math, the total cost of a 20,000-kW project is \$3.6 million per year and \$18.0 million over 5 years. Again, as currently written in Senate Bill 550, these costs are **required** to be recovered by all EDC customers through a tariff.

It is evident that community solar proposals like Senate Bill 550, are wins for community solar developers, shifting numerous costs and risks of these projects to all customers, and essentially forcing **ALL** customers to pay towards the creation, financing, and operation of a community solar facility. As such, DLC has opposed these community solar proposals.

While we have not supported previous iterations of community solar legislation, we greatly appreciate the strides made in House Bill 1842. Modifications made in this bill address several concerns that we have raised over the past few legislative sessions, showing a responsiveness to our feedback and a commitment to working toward consensus while moving forward on this issue.

We are grateful for the progress that has been made in House Bill 1842, and we are especially pleased to see that the bill does not contain the grid services payment language; however, we would like to take this opportunity to highlight a few remaining concerns.

Bill Credits

As most of you know, when advocating on community solar legislation, DLC's primary concern is potential cost increases to our customers—your constituents. When community solar legislation was first introduced several sessions ago, proposals included language that required bill credits to be paid at full retail rate. This is very similar in concept to net metering, which allows solar customers to avoid paying volumetric transmission and distribution charges, as well as surcharges, and shifts those costs to non-solar customers. While the definition of bill credits in community solar bills has changed in recent years, we believe the current definition as provided for in House Bill 1842, still improperly shifts certain costs of community solar projects to non-solar customers.

House Bill 1842 defines bill credits as, "The commission-approved monetary value of each kilowatt hour of electricity generated by a community solar facility and allocated to a subscriber's monthly bill to offset any part of the subscriber's retail electric bill other than volumetric or demand-based distribution charges."

To get a better understanding of how we assess community solar bill credits should be paid and why, we need to first take a closer look at the various components of a customer's typical electric bill. There are four main components that we must consider:

First, the energy supply component; this is the cost you pay for the electricity itself. Typically, this is either the EDC's default service or energy from an electric generation supplier. Second, is



the distribution services part of the bill; this is for poles, wires that feed the electricity into your house, transformers, and substations. Third, are the transmission services related costs; this is for those high voltage facilities that transmit electricity from merchant generators. Lastly, we have the surcharge portion of the bill. There are several surcharges which include energy efficiency and conservation programs (i.e., Act 129); Universal Service Programs, which includes the Customer Assistance Program (CAP); State Tax Adjustment Surcharge; and the Distribution System Improvement Charge. Surcharges also may include distribution service costs.

Each electric service type may be recovered via different rate structures. Most distribution service costs are billed as volumetric or demand based charges (kWh or kW) and also may include a customer charge that is a fixed amount.

Fundamentally, Duquesne Light believes that customers generators, such as customers participating in community solar program, should be compensated for the monetary value of their excess generation. Likewise, Duquesne Light also believes that customer generators should not be permitted to avoid distribution service costs because they are utilizing the distribution system infrastructure. Allowing customers to avoid their fair charge of the distribution system costs that they use unfairly shifts those cost to other non-solar customers.

We, as a utility, are required to provide power to our customers 24-7, from the hottest days to the coldest days of the year. To adequately maintain the transmission and distribution of power to our customers—24-7, rain, snow, wind, or sun—we need the appropriate resources, which comes from transmission and distribution charges on customers' bills.

Clearly, community solar subscribers should receive the fair monetary value for the power that they generate, but the bill credit definition in House Bill 1842 is flawed because it allows community solar subscribers to avoid certain distribution service charges, such as the customer charge. While it is presumed that these customers will be responsible for distribution service charges billed via surcharges, the language should be clarified to ensure that all customers pay their fair share of costs to which they contribute. Other surcharges, such as Universal Services and Energy Efficiency, are assumed to be paid by the subscribers under the community solar legislation and we do not understand the proponents are advocating otherwise. If subscribers are not paying for these distribution service costs, **all other** customers will end up covering these costs, thus impacting affordability for those customers.

Bill credits should be equal to the value of energy generated by their solar share thus, should be paid at the Price to Compare (PTC), minus transmission costs. To accomplish this, we recommend changing the definition of "bill credit" as follows:

"Bill Credit. Monetary value of electricity generated by a community solar facility allocated to a subscriber's monthly bill to offset any generation charges. Bill credit values shall be paid at the electric distribution company's Price to Compare (PTC) rate, less transmission costs."



As you may know, the PTC is the per kWh price paid by customers who chose the EDC as their Default Service Provider and not a supplier. The PTC includes not only the costs of generation, but also transmission and wholesale capacity charges. Therefore, by establishing the bill credit amount at the PTC less transmission costs, we ensure that community solar subscribing customers receive fair compensation for the energy produced.

Unsubscribed Energy

Since first providing feedback on community solar, we have voiced our concern with provisions related to unsubscribed energy. We firmly believe that an EDC should not be responsible for unsubscribed energy and related costs, as again, we feel that these costs should not have the potential to be passed along to our customers. House Bill 1842 requires EDCs to purchase all unsubscribed energy from a community solar project and allows them to sell it back to PJM, our Regional Transmission Organization (RTO). We interpret this language to mean that the unsubscribed power would either reduce the amount of energy procured via default service or be bid into the wholesale markets. Both options are undesirable because they could unreasonably increase cost to non-solar customers. If the unsubscribed power is used to offset default service energy procurement requirements, it may increase default service costs by introducing volatility into the energy requirements. Likewise, requiring the EDC to bid the power into the whole sale markets creates a situation where the EDC is acting as the “middleman” and bears the risk for commodity prices in the PJM market. For example, the unsubscribed energy could potentially be higher than the price an EDC would get when selling the energy to PJM; thus, shifting this cost to customers. This price risk should remain with the community solar administrator to sell any unsubscribed energy to PJM.

As such, we recommend that the bill should include language stating that an EDC shall not be responsible for any unsubscribed energy and ensure unsubscribed energy costs are not passed onto customers.

Renewable Energy Credits

Our last concern is a request for clarification regarding the renewable energy credits (RECs) that are produced by a community solar facility. In previous versions of community solar legislation, RECs were given to the EDCs and were able to be used to comply with AEPS requirements, to be sold in the market, or could be used for cost recovery at treatment of payments for the program.

House Bill 1842 provides that RECs associated with a community solar facility are the property of the community solar organization and may be retired or transferred by the community solar organization or retired on behalf of the subscribers. We read this section as ambiguous and should be clarified, as it is not clear who ultimately gets the RECs from a community solar project—the community solar administrator or subscribers.



Further, the bill should address “double counting” and subscribers who believe they are buying green energy should have the RECs retired on their behalf. Also, to the extent that unsubscribed energy is sold, the value of the RECs should follow whoever is responsible for purchasing the unsubscribed energy.

We appreciate and recognize community solar as a promising option to bolster solar development in Pennsylvania; however, we feel it is perhaps better utilized as a “tool in the toolbox.” While community solar presents valuable opportunities, we support a comprehensive approach that embraces various strategies to ensure a resilient and sustainable renewable energy plan in the Commonwealth. In addition to community solar, we recommend increasing renewables via AEPS, as well as a legislative proposal we have advocated for in past sessions, the creation of a PA Local Solar program.

PA Local Solar

As an additional “tool in the toolbox,” we recommend also creating the PA Local Solar Program. PA Local Solar legislation allows us to bring solar power to those customers who otherwise would not have access to it and increases the amount of solar energy that is generated right here in Pennsylvania, in a way that is equitable and does not result in unreasonable cost-shifting.

PA Local Solar allows EDCs to use a competitive bid process to develop a 100% local solar project. Under this legislation, EDC customers have the option to purchase solar energy from these projects, with all costs being shared by those customers who subscribe to the program.

After recognizing their customers’ demand for 100% local solar power, an EDC can create a project and is responsible for enrolling customers into a PA Local Solar program. Once the project has enough “subscribers,” it is then placed out for competitive bid, which is available to any solar developer who may be interested in the opportunity to compete to address the market demand for locally generated solar electricity.

Through a PPA, EDCs are then able to lock in a long-term competitive fixed price, for anywhere between 15 and 25 years, which eliminates rate volatility many years into the future. This also allows solar developers to keep prices lower for those customers who choose to participate in the PA Local Solar program, as they are also able to lock in that competitive fixed price for 100% locally sourced solar power. The EDC does not own these projects and serves only as a facilitator to bring 100% local solar power to customers, and customers continue to pay transmission and distribution charges, thus there is no cost-shifting.

Protecting our customers is one of our top priorities, including PUC oversight of solar projects. The consumer protection and PUC oversight that are built into PA Local Solar, provides assurance that our customers are purchasing 100% local solar power at an affordable rate, without the fear of being exploited. Under PA Local Solar legislation, the RFP process, the price of energy, and the overall evaluation of a program, all require PUC oversight.



Overall, PA Local Solar legislation accomplishes several fundamentally important objectives: Creating The PA Local Solar program, with costs being supported by subscribers and not shared by the entire rate base; it allows customers to use their voice in the energy marketplace; allows developers to address market demand by building solar facilities to offer renewable power to customers at an affordable price; allows electric utilities to support the deployment of stable, reliable power sources to further diversify the power grid mix; and ensures a fair, equitable regulatory framework developed by the PUC to ensure adequate consumer protections.

Duquesne Light is proud to support legislation that creates the PA Local Solar Program, and we are excited at the prospect of being able to provide our customers with the option to choose 100% locally produced solar energy.

Delivering Value to Customers – Equitable Access, Consumer Choice, and Affordability

In crafting energy policy in Pennsylvania, we must be careful and thoughtful to implement legislation and programs that align with Pennsylvania’s utility and regulatory operating structure. As we work for a clean energy future for all, it is imperative that we look for ways to grow renewable energy that are cost effective and do not result in unreasonable cost-shifting.

Duquesne Light is supportive of efforts to increase clean energy generation, including solar. However, Pennsylvania’s energy policy – including its position on solar – should advance affordability, reliability, and economic growth. ***Electric service is an essential service and must remain affordable.*** We believe there are ways to increase solar generation, including community solar, that have less impact on electricity rates paid by Pennsylvania customers.

We are hopeful that we can continue this collaboration and participate in multi-sector conversations to strike the right balance, allowing solar policy to move forward in a way that is equitable, does not result in unreasonable cost-shifting, and compensates customers fairly.

On behalf of my entire team at Duquesne Light, I would like to extend our sincere thanks and appreciation to Chairman Schweyer and his dedicated efforts as prime sponsor of House Bill 1842. Your commitment to addressing our concerns while working toward consensus is commendable. We are grateful for the proposed changes from what we’ve seen in previous community solar drafts.

Again, I cannot stress enough how strongly DLC feels that the cost and risks associated with increasing and encouraging solar development in Pennsylvania should not be borne entirely by our customers.

I would also like to extend my sincere thanks to the Committee Chairs, members, and staff for providing this opportunity to offer our perspective on this important energy policy issue. At this time, I would be glad to respond to questions from members of the Committee.

Duquesne Light Company
Community Solar vs. PA Local Solar Bill Presentation
Jan-24

Illustrative Community Solar Bill Presentation			
Community Solar Opt In		Community Solar Opt Out	
RS - Effective 1/1/24		RS - Effective 1/1/24	
Customer Charge	\$12.50	Customer Charge	\$12.50
Distribution	\$42.60	Distribution	\$42.60
Surcharges	\$10.66	Surcharges	\$10.66
<i>Community Solar Rider (Non-Bypassable)</i>	<i>\$0.00 [A]</i>	<i>Community Solar Rider (Non-Bypassable)</i>	<i>\$0.00 [A]</i>
DSIC	\$2.42	DSIC	\$2.42
Transmission	\$13.51	Transmission	\$13.51
Generation	\$49.22	Generation	\$49.22
Subtotal	\$130.91	Subtotal	\$130.91
STAS	(\$0.24)	STAS	(\$0.24)
Community Solar Program			
Subscription Fee	\$0.00 [B]		
Generation Credit (xxx kWh * Generation Rate)	\$0.00 [C]		
Total	\$130.67	Total	\$130.67

Illustrative PA Local Solar Bill Presentation			
PA Local Solar Opt In		PA Local Solar Opt Out	
RS - Effective 1/1/24		RS - Effective 1/1/24	
Customer Charge	\$12.50	Customer Charge	\$12.50
Distribution	\$42.60	Distribution	\$42.60
Surcharges	\$10.66	Surcharges	\$10.66
DSIC	\$2.42	DSIC	\$2.42
Transmission	\$13.51	Transmission	\$13.51
Generation	\$49.22	Generation	\$49.22
Subtotal	\$131	Subtotal	\$131
STAS	(\$0.24)	STAS	(\$0.24)
PA Local Solar Program			
Additional Charges/Credits	\$0.00 [D]		
Total	\$130.67	Total	\$130.67

[A] Non-bypassable surcharge on all customers to recover costs on a full and current basis associated with administration of the community solar projects. This might include applicable administration costs, differences between subscription fees and bill credits, unsubscribed energy differentials, etc.

[B] Monthly fee associated with the solar subscription.

[C] Monthly monetary bill credit based on the amount of solar energy produced through the solar subscription.

[D] Customer has the option to purchase solar energy from these projects, with all costs being shared by those customers who subscribe to the program.

January, 16, 2024

Testimony of Nate Reagle, Clean Energy Program Advocate
On behalf of the Sierra Club Pennsylvania Chapter
To the House Consumer Protection, Technology and Utilities Committee

On Sierra Club's SUPPORT of House Bill 1842

Introduction

Established in 1892, the Sierra Club is the oldest and largest grassroots non-profit environmental organization in the country. Our Chapter has nearly 30,000 members, and these members have a strong interest in the equitable deployment of clean energy.

Community Solar

Community solar is a model that greatly enables the expansion of solar power production by allowing solar production at a separate location than the customers subscribing to the service. Pennsylvania is lagging behind surrounding states when it comes to community solar. Pennsylvania is one of only six states without community solar enabling legislation¹. House Bill 1842 would bring Pennsylvania up to par by enabling community solar.

Federal Funding

The timing for community solar is beyond ripe with current Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funding opportunities available to states. Having community solar as an option not only enhances the competitiveness of the state's grant applications for solar funding, it opens the door to community solar specific programs and funding such as the Department of Energy's Community Power AcceleratorTM Prize and the National Community Solar Partnership program². Being able to utilize community solar as an option also eases the challenge of deploying federal monies for the purpose of solar development. The challenges of deploying a low- to moderate-income residential solar program utilizing only rooftop solar could result in sectors such as manufactured housing and multi-family housing being neglected. These challenges, such as current roof condition, existing wiring and electrical box, and ownership status can be overcome with community solar. Without having community solar as a tool in the toolbox, there is a real risk the commonwealth is leaving federal money on the table for surrounding states to take advantage of. Not only is the state not as competitive without the community solar option, but there is also a risk of not being able to expend federal funding directed toward low- to moderate-income households within the grant deadlines. The current federal grant opportunities also present a unique opportunity to jumpstart community solar in Pennsylvania without relying on state taxpayer funded incentives.

Community Benefits

Community solar also eliminates many barriers that low- to moderate-income residents encounter when attempting to participate in solar programs. Being able to purchase a subscription to a community solar program bypasses the obstacles of roof condition, ownership

versus renting status, roof orientation, shading, and other site conditions, resulting in equitable access to the benefits of solar. Only 22-27% of residential household roofs are suitable for solar PV installation³. Community solar is the only practical option available to access the manufactured housing and multifamily housing sectors with renewable energy⁴.

Efficiency also increases with community solar as an option. The scale of community solar projects contributes to increased efficiency, as well as the ability to site community solar projects in ideal locations rather than making a less than ideal rooftop work⁵. Community solar also contributes to overall grid resilience and reduces the over-reliance on fossil fuel energy production by providing a more diverse energy portfolio⁶. Combining energy storage with community solar improves the resilience even more⁷.

Labor and Workforce Development

House Bill 1842 mandates prevailing wages and benefit rates for the construction of community solar facilities in accordance with the Pennsylvania Prevailing Wage Act. The use of federal funds is often associated with similar requirements such as abiding by the Davis Bacon Act. In the event that both the state and federal requirements apply, the worker benefits since neither condition may be violated, resulting in the higher wage if the federal and state requirements differ. By leveraging Inflation Reduction Act (IRA) and/or Infrastructure Investment and Jobs Act (IIJA) funding for community solar projects, organizations working on these projects can then utilize the Commonwealth Workforce Transformation Program to assist with workforce development and on-the-job training. The increase in demand for qualified workers and associated workforce development needs can create opportunities for in-state training and apprenticeship programs to flourish⁷, resulting in a stronger statewide workforce as well as a successful workforce development program.

Conclusion

In short, enabling community solar via House Bill 1842 will maximize federal funding opportunities in Pennsylvania while providing equitable access to the benefits of solar energy by local communities and building the statewide workforce.

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1. <https://www.energy.gov/eere/solar/community-solar-basics>
 2. <https://www.energy.gov/communitysolar/community-power-accelerator-tm>
 3. <https://www.nrel.gov/docs/fy09osti/44073.pdf>
 4. <https://www.nrel.gov/docs/fy18osti/70477.pdf>
 5. <https://www.nrel.gov/docs/fy11osti/49930.pdf>
 6. <https://www.utilitydive.com/news/gas-power-plants-reliability-winter-union-concerned-scientists/704031/>
 7. <https://www.nrel.gov/docs/fy23osti/84247.pdf>

Jan 11, 2024

Pennsylvania House Consumer Protection Committee

Re: PA House Bill 1842, Community Solar Legislation

Dear Members of the Pennsylvania House Consumer Protection Committee,

Vote Solar is grateful for this opportunity to provide written comments on House Bill 1842, for consideration as part of the informational hearing on community solar taking place on January 16, 2024. Vote Solar is a national nonprofit that works state by state to repower our communities with sunshine and advance a clean energy transition that puts the interests, health and well-being of people at its center.

Vote Solar and others have long advocated for legislation to authorize community solar in the Commonwealth; community solar is a key vehicle to advance a clean energy transition that doesn't leave anyone behind. We appreciate the work that Representative Peter Schweyer, Committee Chair Matzie, and committee staff have put into this legislation, and we note with pleasure that HB 1842 already enjoys bipartisan support.

Community solar promises to unlock the benefits of a clean energy economy for the many Pennsylvanians who currently risk being left behind. It allows everyone to choose local, reliable, and lower-cost clean energy solutions, regardless of income level or housing type. It also promises to help communities across the state that have been harmed by rising costs of living and local job loss, and to support struggling farmers in protecting their land while generating much-needed additional income by leasing unused land and the roofs of large feed barns. While 22 other states and the District of Columbia have already authorized community solar and begun reaping its benefits, Pennsylvania has yet to act.

Community solar will help Pennsylvania to meet our expanding resource adequacy requirements. With solar's rapidly advancing technology and absence of recurring fuel costs, it is, in most situations, the most affordable energy that can be added to the energy grid. And since community solar projects are able to interconnect at the local distribution level, they avoid the delays and uncertainty associated with the PJM interconnection queue: a regional wait-list where large energy projects must secure approval before moving forward. Embracing community solar will help Pennsylvania to be nimble and efficient in meeting its own energy requirements, while continuing to deepen our historic role as a key player in the regional energy economy.

New federal tax incentives through the Inflation Reduction Act also appear tailor-made to benefit Pennsylvania. For instance, there are added incentives for projects sited on brownfields or in areas with high levels of fossil fuel employment or coal plant closures, as well as projects sited in or benefiting low-income communities. By capitalizing on federal incentives that would

otherwise sit untapped, community solar can re-energize regions suffering from disinvestment across our state, bolstering them with good jobs and affordable energy.

This legislation in particular has a number of notable strengths that recommend it over previous community solar bills, and which we believe will advance the public interest and enshrine strong consumer protections going forward. We thank Representative Schweyer for including these key provisions in the bill:

- **Strong labor protections**
 - Investing in a clean energy future means investing in Pennsylvanians. Clean energy jobs should be well-paid, stable, and accessible to all. The bill requires prevailing wage for all community solar projects, and includes penalties for non-compliance.
- **No competition with existing programs for funding**
 - Community solar should build on rather than compete with critical funding for existing renewable energy, low-income, and energy efficiency programs. In this bill, project financing is based on renewable energy credits, federal incentives, and a bill credit to be determined by the Public Utilities Commission (PUC). There is no competition for funding with existing programs.
- **Maximized benefits for low-wealth communities**
 - Community Solar allows direct benefits to be targeted to low-wealth communities which otherwise lack access to clean energy. This bill directs anticipated federal funds to support low-income participation, including higher guaranteed savings. It also empowers the PUC to further maximize low-income benefits.
- **Robust consumer protections**
 - This bill does not allow for upfront costs or credit checks for community solar subscribers. This protects against many forms of predatory behavior. While we recommend that the Committee consider amending the bill to prohibit termination fees for the same reason, the existing exclusions lay an important foundation.
 - In specifying that community solar subscriptions are non-basic service charges, the bill protects ratepayers from the threat of losing public utility services should they fail to pay a subscription fee.
 - Under this bill, community solar businesses must share standardized information with potential subscribers, facilitating transparency. The bill additionally directs the PUC to investigate and implement further consumer protections.

We are also pleased that under the bill's current language, the subscription cost for community solar cannot exceed the bill credit, ensuring that no subscriber will pay extra to participate in community solar. We urge the Committee to consider following the lead of other states in including guaranteed savings as part of the program design, ideally as a set percentage (for instance, in our neighboring state of New Jersey, all community solar subscribers are guaranteed saving of no less than 15%) or at minimum by stating that the subscription price must be lesser than the bill credit.

We further suggest that the Committee consider including additional support for projects that are owned by the community, for instance by a local nonprofit. Community ownership builds local

wealth, and community-owned solar projects have been shown¹ to result in an average of three times the local benefits as those that are owned by a third party. While this bill does not prohibit community ownership, these projects often require additional support: those communities that would benefit most are the least likely to have access to the upfront capital and requisite subject matter expertise. We hope the committee will explore options to facilitate that access, and we are eager to discuss the issue in more detail should the opportunity arise.

In closing, we reiterate our support for community solar as a critical tool in making clean energy – and the economic, environmental, and social benefits it confers – accessible to all Pennsylvanians. We are excited to see this legislation progress, and are enthusiastic about the clear concern for the public interest and consumer protections that are represented throughout the bill.

Thank you for your time and attention to this important subject.

Signed,

Elowyn Corby, Vote Solar
Mid-Atlantic Regional Director
ecorby@votesolar.org

¹ Institute for Local Self-Reliance: Key Benefits of Local Clean Energy Ownership
https://cdn.ilsr.org/wp-content/uploads/2023/10/Advantage-Local-2023-Update-Exec-Summary-Fact-Sheets.pdf?_gl=1*ewhr37*_ga*OTg4Nzk2ODE5LjE1OTQ5MzZwMzI.*_ga_M3134750WM*MTcwMTk2OTIxNi41NjYuMS4xNzAxOTY5Njg5LjAuMC4w&_ga=2.164093439.1938266952.1701820198-988796819.1594937032



To: Members of the Pennsylvania House Consumer Protection, Technology & Utilities Committee

Re: Pennsylvania House Bill 1842, Community Solar Legislation

Dear Members of the Pennsylvania House Consumer Protection, Technology & Utilities Committee,

Solar United Neighbors (SUN) is writing in support of House Bill 1842, which would enable and establish Community Solar programs in Pennsylvania. We thank the Committee for their leadership in holding a hearing to debate this bill. Now is a time when we must be forward-thinking in finding energy solutions for all Pennsylvanians.

SUN is a national nonprofit organization representing tens of thousands of solar owners and supporters across Pennsylvania. The deployment of rooftop solar is the cornerstone of our mission. Unfortunately, rooftop solar is not accessible to everyone. Some homeowners may have trees shading their roofs, whereas others need to replace their roof before installing solar. For others, the upfront cost of solar is too high to be able to afford. While many more are simply unable to install solar because they are renters. These barriers are only a few of the many obstacles that restrict the benefits of solar to being accessible to only a subset of the population.

Community Solar levels the playing field and allows everyone with an electric bill to access the benefits of solar energy. As of February 8, 2024, the U.S. Department of Energy names solar as the most affordable form of energy, meaning the addition of solar to the energy mix reduces costs for all ratepayers. It is clean energy, not prone to polluting the air or water sources, unlike other forms of energy. And the quickly growing market for solar is creating good, family-sustaining jobs all across Pennsylvania. For farmers who host a Community Solar project, leasing their land is a valuable new source of income that allows them to retain the rights of ownership for their land for decades to come.

Enabling Community Solar will allow Pennsylvania to offer a means of savings to its residents that is already offered in 22 other states and the District of Columbia, as well as by many rural electric cooperatives and utilities who have voluntarily instituted community solar programs. These states range the full political spectrum, led by both Republican and Democrat governors and legislatures. This is in direct parallel to the bipartisan support for HB 1842. Indeed, Community Solar bills in Pennsylvania have a history of receiving robust bipartisan support.



Legislators and their constituents understand the popularity of a bill enabling savings on electric rates by way of clean energy production.

HB 1842 has a number of positive policies worth enumerating and commending Representative Schweyer on. Primarily, HB 1842 has excellent consumer protections which SUN, as a consumer advocacy organization, celebrates. Having no requirement for upfront sign-on fees or credit checks reduces the barriers to lower cost energy, especially to lower income residents who would be especially impacted by these requirements. In the spirit of these consumer protections, we recommend that the Committee consider amending HB 1842 to ensure that no additional fees be applied to Community Solar subscribers that are not applied to customers of traditional Electric Distribution Companies.

Labor protections are a strength of HB 1842. The Prevailing Wage and workforce development requirements ensure that Pennsylvanians working on clean energy projects like Community Solar will have well-paid, family-sustaining jobs.

Community Solar projects in Pennsylvania will be paid for with State and Federal funding sources, according to HB 1842. This a very forward-thinking approach that recognizes the unique investment in clean energy on the statewide level that the U.S. Congress made in 2022 with the passage of the Inflation Reduction Act.

The benefits of Community Solar targeting lower income households is inspiring to see. This bill does not define "low income," and we recommend the Committee legislate that definition so that it is not interpreted in a very narrow sense at a later date. SUN recommends that the equitable definition of "low income" include households at 200% of the Federal Poverty Level, which is in keeping with good environmental justice principles.

We were encouraged to see that HB 1842 included language to ensure that the cost for a Community Solar subscription may not exceed the bill credit. We urge the Committee to consider defining "guaranteed savings" so as to ensure that customers save when they subscribe to a Community Solar program. This model is included in approximately half of the 22 existing state programs. In those programs, customers are guaranteed to save anywhere from 5 to 20%, with most states ensuring 10% savings to all subscribers. Not only is saving money extremely popular with constituents, but it also guarantees success for Community Solar projects, leading to more projects, and thus more economic benefits to Pennsylvania and its workers.

This bill includes requirements for the decommissioning and recycling of materials from Community Solar projects, which we understand is included to protect the property of the landowners who host these solar installations. These requirements are sensible, particularly for projects covering many acres of land. However, we are concerned that these requirements



may be onerous to smaller, more creative projects, and may therefore suppress this sector of the market. We would recommend that the Committee consider imposing a size minimum for the decommissioning and recycling requirements, for example 1 (one) MW AC. Local businesses trying to play a new role in their communities by hosting Community Solar programs are much more likely to be on the smaller scale (i.e., smaller than 1 MW AC). These types of small projects are opportunities for small businesses, churches, schools, and other community organizations to reduce their own bills while also benefiting members of the community. Furthermore, these smaller projects are ways in which small, local solar installers may meaningfully participate in Community Solar. Larger projects will more likely be owned by large, regional developers. The local, Pennsylvania economy will disproportionately benefit from a preponderance of smaller, creative Community Solar installations.

In conclusion, SUN supports the passage of House Bill 1842 to enable Community Solar in Pennsylvania. Community Solar will benefit Pennsylvania economically and environmentally by giving residents the choice of saving money while supporting local, clean energy generation. Pennsylvania's status as a leading energy producing and exporting state will be in danger in the near future unless we embrace innovative policies such as Community Solar. We, as well as our supporters, are enthusiastic about the prospect of Community Solar in Pennsylvania.

Thank you for your time and attention to this important subject. Please do not hesitate to consider SUN a resource, and reach out to me with any questions or concerns.

Signed,

A handwritten signature in black ink that reads "Monica Carey". The signature is written in a cursive style with a large initial "M" and a large "C".

Monica Carey

Pennsylvania Program Director

Solar United Neighbors

mcarey@solarunitedneighbors.org

TH!RD ACT

PENNSYLVANIA

Testimony in favor of [PA House Bill 1842](#), permitting community solar

[Third Act Pennsylvania](#) is an organization of residents 60 and older who are taking action to protect our climate and safeguard democracy. Our volunteers have vast experience in countless fields. We vote. And we have our eyes on the next generation: our own and everyone's children, grandchildren, and great-grandchildren.

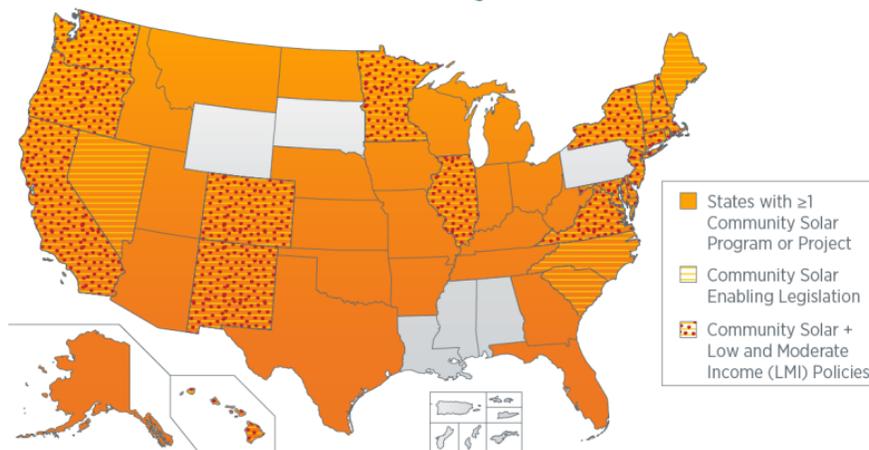
Third Act Pennsylvania strongly supports passage of [HB 1842](#), which would permit community solar in our state. We fully endorse the testimony that Vote Solar submitted in favor of this legislation, including:

Community solar promises to unlock the benefits of a clean energy economy for the many Pennsylvanians who currently risk being left behind. It allows everyone to choose local, reliable, and lower-cost clean energy solutions, regardless of income level or housing type. It also promises to help communities across the state that have been harmed by rising costs of living and local job loss, and to support struggling farmers in protecting their land while generating much-needed additional income by leasing unused land and the roofs of large feed barns.

We also support the strong labor and consumer protections in the bill.

Community solar is allowed and encouraged in [22 states](#) and the District of Columbia. The U.S. Energy Department says all but six states have at least one community solar project. Pennsylvania is among those outlier six states.

Where is community solar available?



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

Solar provides only [11% of the renewable energy](#) in Pennsylvania, mostly from rooftop installations on homes and businesses. (The rest of Pennsylvania's small renewable energy sector comes from wind, hydroelectric and biomass.) Many individuals, nonprofits, and businesses can't put solar panels on the roof for a variety of reasons, including that the roof is too shady, they don't own the home or building, or the cost.

Community solar would allow anyone to get the benefits of low-cost solar energy without putting panels on the roof. It would also allow farmers and other landowners to earn a profit while adding much-needed solar energy to our grid.

These solar projects could be built on a variety of sites, including farmland (either on unused land or alongside crops through agrivoltaics), brownfields, closed landfills, huge shipping facilities, a church in Lancaster County, an old slag heap in Pittsburgh.

Pennsylvanians get a barely discernible [0.51% of our electricity](#) from the sun. A new report from PennEnvironment also found that we beat out only Alaska [in renewable energy growth](#) over the last decade. We are [45th in the country](#) in producing energy from wind, solar and hydropower.

We are being left behind in the necessary transition to renewable energy. We are not part of this exciting energy revolution that will save lives, lower health-care costs, make our communities safer and our air cleaner.

Our state's failure to enthusiastically embrace the energy that will power the 21st century also means our state's workers are stuck in the jobs of the past.

Third Act Pennsylvania strongly encourage you to pass [HB 1842](#) and allow all Pennsylvanians to take advantage of solar energy.

Sincerely,

Elisabeth Hoffman

Facilitator for the Democratize Energy Action Team at Third Act PA

Contact:

Elisabeth Hoffman

209 E. Ross St.

Lancaster, PA, 17602

eshoffman@hotmail.com

or ThirdActPA@gmail.com



To: Members of the Pennsylvania House Consumer Protection, Technology, and Utilities Committee

Re: Advanced Energy United Letter of Support for House Bill 1842 and Community Solar

To Whom It May Concern:

Advanced Energy United ('United') is writing in support of House Bill 1842, which would authorize a new statewide community solar program for Pennsylvania. This legislation presents an opportunity for the Commonwealth to expand access to clean energy for residents and businesses across Pennsylvania, while driving job creation and economic development.

United is a national industry association that educates and advocates for policies that allow our member companies to compete to repower our economy with clean, reliable, and affordable energy. We represent over 100 businesses working across the energy sector, including large-scale and distributed renewables, geothermal, energy storage, energy efficiency, transmission developers, electric vehicle (EV) manufacturers, charging infrastructure providers, and more.

United supports advancing community solar in Pennsylvania via House Bill 1842. This program, if enacted, would help expand access to clean energy for thousands of Pennsylvanians, while creating good-paying jobs for residents and strengthening the Commonwealth's economy in the process. Pennsylvania is severely lacking in solar energy production, with under 1% of the Commonwealth's net electricity generation derived from solar energy. Additionally, Pennsylvania is one of the only states in the Eastern United States that does not currently authorize community solar. For Pennsylvania to maintain its status as a national energy leader, decision-makers must prioritize policies that drive clean energy production, like HB 1842.

While United is supportive of community solar and HB 1842, our membership is also strongly supportive of an increase to Pennsylvania's long overdue Alternative Energy Portfolio Standard (AEPS), and United supports legislation that would increase AEPS requirements to 30% Tier I resources by 2030, and a stronger target in later years. It is

imperative that both community solar and an increase to the Pennsylvania AEPS requirements are accomplished this session, as both policies are key to advancing the market for the clean energy industry. As the AEPS requirements for Pennsylvania plateaued in 2021, there is no current state-level commitment to clean energy. This lack of a commitment means that Pennsylvania is a riskier investment for United's member companies, compared to neighboring states such as Maryland, New Jersey, or New York, who are quickly becoming leaders in clean energy production.

For the above reasons, United supports House Bill 1842 and encourages members of the House Consumer Protection, Technology, and Utilities Committee to support this legislation. Pennsylvania has an untapped potential for new development of advanced energy – if policymakers seize on this opportunity to open Pennsylvania up for new investment, job creation, and economic development.

If you should have any questions or concerns, please do not hesitate to contact me at nbibby@advancedenergyunited.org or 717-331-9348.

Sincerely,

A handwritten signature in black ink that reads "Nicholas Bibby". The signature is written in a cursive style with a large, sweeping initial "N".

Nicholas Bibby
Principal and Pennsylvania State Lead
Advanced Energy United





Industrial Energy Consumers of Pennsylvania

The Voice of Large Energy Consumers

January 8, 2024

Re. Hearing on House Bill 1842

Dear Chairman Matzie and Chairman Marshall,

The Industrial Energy Consumers of Pennsylvania (IECPA) is a trade association of energy intensive large manufacturing companies with one or more facilities in the Commonwealth of Pennsylvania with employees across the state. Formed in 1982, IECPA is the recognized voice of large energy consumers in Pennsylvania and played a critical role in the restructuring of both the electric and natural gas industries. IECPA member companies provide good paying jobs to over 25,000 Pennsylvanians. We write to provide additional feedback regarding House Bill 1842 sponsored by Rep. Pete Schweyer.

IECPA is supportive of a diverse electricity generation supply structure, and we believe the best way to achieve that structure is to strike a balance between three critical elements:

- 1) Reliability
- 2) Cost Competitive Pricing
- 3) Environmental Protection

We believe environmental protection must be achieved while also ensuring reliability and competitive pricing. This requires that we review the impact in each of these areas with an open mind and real research and analysis. IECPA members have recent experience in Maine where these three issues were not balanced. Now customers there who do not receive any benefit from the community solar facilities are experiencing large electric utility rate increases. Therefore IECPA submits these questions and concerns regarding House Bill 1842 and welcomes the opportunity for further discussion.

Questions / Comments:

- 1) The definition of "Bill credit", on page 3, line 29 (P.N. 2281) states, "The commission-approved monetary value of each kilowatt hour of electricity generated by a Community Solar facility and allocated to a subscriber's monthly bill to offset any part of the subscriber's retail electric bill other than volumetric or demand-based distribution charges."
 - a) A subscriber's monthly bill from who – the electric distribution company?
 - b) What is the definition of "distribution charges"? For example does this include Act 129 Alternative Energy program charges, Energy Waste Reduction program charges, Gross Receipt Tax, etc.? If so, wouldn't this create a subsidy that all other customers would need to pay for?



Industrial Energy Consumers of Pennsylvania

The Voice of Large Energy Consumers

- c) Given that the community solar facility is only providing energy supply and not reducing any of the subscribing customers distribution/delivery service, how can the distribution utility be required to provide a Community Solar bill credit to a retail choice customer who the utility has no obligation to provide energy supply? Wouldn't this create a subsidy that all default service customers would need to pay for?
 - d) The definition of "Community Solar facility" on page 4, line 12 (P.N. 2281) states, "Is connected to and delivers electricity to a distribution system operated by an electric distribution company..." Because the mere physical delivery of electricity does not establish a contractual obligation to provide/sell the energy and related capacity to the electric distribution company, the requirement for the electric distribution company to provide a bill credit needs to be paired with a requirement for the Community Solar organization to provide the energy and capacity to the electric distribution company.
- 2) The definition of "Guaranteed savings" states, on page 6, line 7, P.N. 2281, "Realized savings as the difference between the cost of a subscription to a Community Solar facility and the credit received for the generation attributed to the subscription." Who is guaranteeing the savings and how do they do it? The energy and capacity supply price to a customer varies related to the market price (i.e. the distribution utilities purchase energy and capacity from the market to supply their default customers) while the subscription price is set by the Community Solar Organization.
- 3) Section 5. (a) on page 7, line 25, P.N. 2281, regarding the "Credit" - How can the electric distribution utility provide a bill credit to retail choice customers who do not purchase electricity from the utility? Even if the Community Solar facility provides the associated energy and capacity to the utility, what is the utility supposed to do with the supply when they do not have an obligation to supply electricity to that customer. This seems to violate other provisions of the law regarding the utilities purchase of electricity supply only for default service customers. Community Solar only seems to work for default service customers where the utility has an obligation to supply electricity.
- 4) Section 10. on page 12, line 5, P.N. 2281, Unsubscribed energy - Again this appears to violate other provisions of the law which only allow the EDC utilities to purchase electricity to meet their supply obligations to default service customers. Even if the Community Service program is limited to Default Service Customers, the utilities should not be obligated to purchase more supply than is needed to serve those customers. If they have to sell this purchase at a loss will this cost be only collected from the subscribing customers, or will all Default Service Customers incur higher costs?
- 5) Section 10. Unsubscribed energy – How can the electric distribution company purchase bill credits from a community solar facility?
- a) The definition of a "Bill credit" is a kwh that has been allocated to subscriber's monthly bill. This Unsubscribed energy has not been allocated to a subscriber.



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- b) Again, this appears to violate other provisions of the law which only allow the electric distribution companies to purchase electricity to meet their supply obligations to Default Service Customers.
- c) Even if the Community Service program is limited to Default Service Customers, the utilities should not be obligated to purchase more supply than is needed to serve those customers. If they have to sell this purchase at a loss will this cost be only collected from the subscribing customers, or will all customers incur higher costs?
- d) Again, where in the bill does it provide the electric distribution companies ownership of the energy and capacity from the community solar facility to allow them to sell unsubscribed energy?

As noted, there are many technical and legal concerns regarding this bill that the committee members should consider and resolve. We reiterate that Community Solar only seems to work for default service customers where the utility has an obligation to supply electricity.

Respectfully submitted,
INDUSTRIAL ENERGY CONSUMERS OF
PENNSYLVANIA (IECPA)

By

Rod Williamson
Executive Director

cc.: Members of the House Consumer Protection, Technology and Utilities Committee



January 15, 2024

The Honorable Robert F. Matzie
Chairman
House Consumer Protection, Technology
& Utilities
P.O. Box 202016
Harrisburg, PA 17120-2016

The Honorable Jim Marshall
Chairman
House Consumer Protection, Technology
& Utilities
P.O. Box 202014
Harrisburg, PA 17120-2014

RE: SEIA Support for House Bill 1842 – Community Solar

Dear Chairs:

I am writing on behalf of the Solar Energy Industries Association (SEIA) in **support** of House Bill 1842 (Schweyer-D), which provides for community solar facilities; imposing duties on the Pennsylvania Public Utility Commission, electric distribution companies and subscriber organizations; and providing for prevailing wage for construction of community solar facilities. It was re-referred to the House Consumer Protection, Technology & Utilities Committee on November 13, 2023.

SEIA is the national trade association for the United States solar industry. With more than 1,000 member companies nationwide, SEIA is leading the transformation to a clean energy economy, creating the framework for solar to constitute 20% of U.S. electricity generation by 2030. SEIA works with its member companies and other strategic partners to shape fair market rules that promote competition and the growth of reliable, low-cost solar power. SEIA has more than thirty member companies located in Pennsylvania with many more national firms also conducting business in the state. Member companies range from manufacturers; residential, community, and utility-scale solar developers; installers; construction firms; investment firms; and service providers.

It is critical that Pennsylvania maximize the economic and business opportunities associated with all electric power generation sources. To that end, SEIA supports policy measures that will drive needed investment in clean, domestic, local job-producing solar generation. Bringing community solar to Pennsylvania is a good first step in embracing the business potential of solar energy across the Commonwealth.

Community solar projects are small, local solar facilities shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced. Community solar can expand solar accessibility and make sure all Pennsylvanians have the choice to experience the cost-saving benefits of solar energy without needing to install a solar system where they reside.

In addition, like all solar, community solar can help family farms stay in the family and counteract the ongoing trend of farms being lost due to economic hardships. For example, leasing small, unused, or underutilized portions of land to community solar organizations allows landowners to earn a steady revenue stream from solar lease payments that help mitigate market volatility and severe weather events like droughts. At a time when many agricultural producers are struggling, solar can create additional revenue streams and help support farmer incomes.

Therefore, community solar can unlock economic activity in Pennsylvania at a time when the Commonwealth needs more jobs and private investment. Solar can and should be a major economic driver in the Commonwealth.

SEIA appreciates the willingness of the chairs and prime sponsor to consider removing the decommissioning language contained in House Bill 1842, as more comprehensive decommissioning legislation, Senate Bill 211, awaits action by the House Environmental Resources & Energy Committee. With this change, SEIA is more comfortable supporting this legislation moving forward. Moreover, SEIA stands ready to work with the committee and stakeholders on any additional revisions deemed necessary to House Bill 1842 in order to move this important legislation forward.

Finally, encouraging more solar development in Pennsylvania is not a decommitment to thermal and other forms of energy that the Commonwealth has so proudly produced for decades. Solar energy is a compliment to the state's energy portfolio and strengthens it for future generations. It will ensure continued regional demand and that Pennsylvania maintains its status as a net energy exporter, while providing energy security through a diverse energy portfolio to help support reliability of the electric grid now and in the future amid increasingly extreme weather as Pennsylvania experienced during Winter Storm Elliot.

While much more is needed to grow this domestic energy source here in Pennsylvania, House Bill 1842 can begin to capture the vast untapped potential of solar to drive real, on-the-ground economic benefit and opportunity to all communities across the Commonwealth. It will also give Pennsylvania residents and business owners the opportunity and choice to benefit from community solar projects.

Thank you for your consideration. If you should have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

Leah Meredith
Senior Manager, Mid-Atlantic Region
Solar Energy Industries Association (SEIA)
lmeredith@seia.org