

Pennsylvania

Solar Policy Survey

October 2016



The NESEMC Solar Policy Survey compiles information on state-level policies that significantly influence the solar energy market. The survey was produced with the help of the Pace Energy and Climate Center’s team of student researchers. The vast majority of the information contained within this document has been obtained from [the Database of State Incentives for Renewables & Efficiency](#) (DSIRE) with additional information and research obtained from various sources.

Note: These factsheets are updated periodically to reflect policy changes within each state. If you notice a mistake or out of date information, please contact Nick Martin at nmartin@nesemc.com.

SOLAR MARKET POLICIES

This document surveys the following solar market relevant policies.

POLICY	DESCRIPTION
RENEWABLE ENERGY GOALS	Does the state have enforceable and/or non-mandatory renewable energy goals? Do these goals include a specific solar PV carve out?
SOLAR TARIFFS AND RATES	How are solar PV customers impacted by utility tariffs and rates? Does the state offer net metering and/or value of solar tariffs? Do utilities impose high fixed charges or specific charges on solar customers?
VIRTUAL NET METERING	Can solar PV customers offset electricity purchases on multiple meters?
COMMUNITY AND SHARED SOLAR	Can multiple customers offset their electricity purchases from a single PV system?
GREEN FINANCING	Does the state support renewable energy financing through institutions like green banks or property assessed clean energy (PACE) financing?
PERMITTING	Has the state streamlined the solar PV permitting process?
LICENSING	What type of licensing is required to install solar PV systems? Are specialized solar PV or renewable energy licenses available?
SOLAR RIGHTS AND ACCESS	Does the state protect customers’ ability to install solar PV systems and access sunlight?
OTHER FINANCIAL INCENTIVES	Does the state offer financial incentives including grants, loans, tax credits, and/or tax exemptions?

RENEWABLE ENERGY GOALS

Goals and Mandates:

Pennsylvania state law creates an Alternative Energy Portfolio Standard (AEPS) requiring 18% of retail electricity sales to be provided by renewable and alternative sources by compliance year 2020-2021 (period ending May 31, 2021).¹

8% of the 2021 AEPS mandate must be fulfilled by Tier 1 resources, which includes solar PV, while the remaining 10% must be fulfilled by Tier 2 resources, which *does not* include solar PV.

Solar Carve Out:

Pennsylvania has a solar-specific renewable energy goal. At least 0.5% of Tier 1 resources must be supplied by solar PV by 2021.

SOLAR TARIFFS AND RATES

NET METERING

Pennsylvania state law mandates net metering for solar PV customers.²

Maximum System Capacity:

Net metered systems may be up to 50kW for residential, 3MW for non-residential, and 5MW for microgrid and emergency systems.

Aggregate Capacity Limit:

There is not a specified aggregate (e.g. state-wide or utility-wide) capacity limit on net metering facilities.

Applicable Entities:

Investor-owned utilities (representing ~95% of the state's customers) are required to offer net metering.

Excess Generation:

Excess generation is credited to the customer's next bill at the retail rate. It is reconciled annually at a "price-to-compare," which includes the generation and transmission components of the rate, but not the distribution component.

Renewable Energy Certificate (REC) Ownership:

The customer retains ownership of any RECs.

VALUE OF SOLAR

Pennsylvania utilities do not offer any value of solar tariffs.

On behalf of the [Mid-Atlantic Solar Energy Industries Association](#) and [Pennsylvania Solar Energy Industries Association](#), [Clean Power Research](#) analyzed the value of distributed generation in New Jersey. The [study](#) analyzed

¹ 73 P.S. § 1648.1 et seq.

² 73 P.S. § 1648.2 et seq.

the value of solar for four locations in Pennsylvania—Pittsburgh, Harrisburg, Scranton, Philadelphia. The study found values ranging between \$282/MWh to \$318/MWh for the analyzed Pennsylvania locations.

VIRTUAL NET METERING

Pennsylvania allows for virtual net metering under its existing net metering program.

Maximum System Capacity:

Virtually net metered systems may be up to 110% of the cumulative consumption across all qualifying meters.

Aggregate Capacity Limit:

Like net metered facilities, there is not a specified aggregate (e.g. state-wide or utility-wide) capacity limit on net metering facilities.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

Beneficial meters must be in same utility territory as customer host and located on properties owned or leased by the customer host within 2 miles of the boundaries of the customer host's property.

The customer host is responsible for an incremental expenses involved in billing the accounts.

COMMUNITY AND SHARED SOLAR

Pennsylvania does not currently allow for shared solar configurations.

GREEN FINANCING

Green Bank:

Pennsylvania does not currently have an operational green bank or similar institution/program that uses public funds to leverage private investment in solar PV.

The Union of Concern Scientists have published a [report](#) and [factsheet](#) estimating the benefits a Green Bank could create for Pennsylvania. Their analysis found that an initial capitalization investment of \$135 million could create a possible \$4.2 billion investment in energy efficiency and renewable energy within the state.

PACE Financing:

Pennsylvania does not currently have a PACE program or PACE enabling legislation.

Other Green Financing:

[Penelec SEF of the Community Foundation for the Alleghenies Loan Program](#) - This \$9.1-million-dollar fund provides loans or equity investments to support the development of renewable and clean energy use.

[Sustainable Energy Fund \(SEF\) Loan Program \(PPL Territory\)](#) - The Sustainable Energy Fund (SEF) promotes and invests in a variety of renewable energy development projects.

[West Penn Power SEF Commercial Loan Program](#) - The program accepts proposals for commercial loans, equity investment, subordinated debt, and royalty financing for commercial, industrial, institutional, and residential solar projects.

[Sustainable Development Fund Financing Program](#) - The Reinvestment Fund, Inc. administers the Sustainable Development Fund. The fund provides commercial loans, subordinated debt, royalty financing, and equity financing to a variety of solar ventures.

[Metropolitan Edison Company SEF Loans](#) - Administered by the Berks County Community Foundation, this loan fund is open to any individual, organization, governmental entity, or corporation that relates to renewable energy use, including solar energy.

PERMITTING

Standardization:

Pennsylvania does not have a statewide standard application or fee for obtaining necessary permits for solar PV projects.

Guidance:

State specific permitting guidance documents were not found for Pennsylvania.

LICENSING

Pennsylvania does not offer or require solar PV specific licenses for installers. Pennsylvania also does not have state wide licensure requirements for the installation of solar PV. Licensure is regulated at the county level.

Tied to Incentives:

In order to participate in the Pennsylvania Sunshine Rebate Program, installers must be Pennsylvania Sunshine Program Approved Solar Electric Installers. To be approved, installers must have either NABCEP certification, installed at least three PV systems and completed an IREC ISPQ accredited training program, completed a PV manufacturing training program or an IBEW/NECA apprenticeship training program that included a PV installation course.

Reciprocity:

Pennsylvania does not offer reciprocity with other states for electrician or solar licensing.³

SOLAR RIGHTS AND ACCESS

Solar Rights:

Pennsylvania does not have any state laws or regulations that specifically address solar rights.

Solar Access:

Pennsylvania does not have any state laws or regulations that specifically address solar access.

³ [National Electrical Contractors Association](#)

OTHER FINANCIAL INCENTIVES

No other financial incentives found.

About NESEMC



The **Northeast Solar Energy Market Coalition** brings together solar energy business associations and other stakeholders in the Northeast United States to harmonize regional solar energy policy and advance the solar energy market. We are funded by the U.S. Department of Energy SunShot Initiative as a cooperative agreement through 2017.

Our vision is a thriving, efficient regional market for solar photovoltaic energy generation in the Northeast.

We will realize our vision by encouraging and engaging regional solar businesses in advancing market policy to lower costs and increase solar market opportunity. We will educate stakeholders and policy makers throughout the region directly, and by empowering our member organizations with robust analysis and timely information.

Visit us at NESEMC.com

Powered by
SunShot
U.S. Department of Energy