



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

M-2017-2631527

May 16, 2018

To: All Electric Distribution Companies and Electric Generation Suppliers

Re: Petitions to be filed pursuant to the Act 40 Final Implementation Order entered on May 3, 2018, at Docket No. M-2017-2631527, regarding consideration of contracts for out-of-state solar PV credits

In accordance with the *Final Implementation Order* entered on May 3, 2018, electric distribution companies (EDCs) and electric generation suppliers (EGSs) seeking to qualify credits under Section 2804(2)(ii) of the Administrative Code, 71 P.S. § 714(2)(ii), are required to file a petition within sixty (60) days of the entry date of the Order or July 2, 2018. The Commission also noted that procedures for the Section 2804(2)(ii) contract approval process would be provided.¹ With this Secretarial Letter, the Commission is providing the additional procedural information.

As explained in the *Final Implementation Order*, the Commission interpreted Section 2804(2)(ii) of the Adm. Code, 71 P.S. § 714(2)(ii), as to only permit out-of-state facilities that before October 30, 2017, were (a) already certified as an AEPS Tier I Solar Photovoltaic system and that (b) have entered into a contract with a Pennsylvania EDC or EGS serving Pennsylvania customers, for the sale of solar credits, to maintain certification until the expiration of the contract. The Commission further clarified that the certification should only apply to the amount of credits contractually committed to the EDC or EGS.²

To assist the Commission in reviewing the petitions in a timely manner, EDCs and EGSs should clearly identify in their petitions the information they believe is pertinent for the Commission to determine which alternative energy credits (AECs) are eligible to be used by the EDC or EGS to meet the AEPS Act solar photovoltaic (solar PV) share requirements. At a minimum, the EDCs and EGSs should provide the following supporting documentation:

¹ *Final Implementation Order* at 32.

² *Final Implementation Order* at 26-27.

- Complete and unredacted copies of all contracts,³ and amendment(s) thereto supporting the claim for approval of AECs to be used by the EDC or EGS to meet its Tier I solar PV share requirements of the AEPS Act.
- Documentation that the out-of-state solar PV facilities were certified as an AEPS Act Tier I solar PV resource before October 30, 2017.
- Documentation that the EDC or EGS entered into a contract prior to October 30, 2017, for the purchase of AECs.
- Documentation of the expiration date of the contracts.
- Documentation of the number of AECs being purchased by the EDC or EGS.
- Verification pursuant to 52 Pa. Code § 1.36.

EDCs and EGSs are to file their petitions with the Commission in accordance with 52 Pa. Code § 5.41. The Petitions shall be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Bureau of Investigation and Enforcement, and all parties of record in the above-referenced Docket.

EDCs and EGSs filing petitions intending to denote and file contracts and any other documents as confidential should review the Commission regulation at 52 Pa. Code § 1.32. Section 1.32(b)(4) requires that filings containing confidential information shall be filed in paper form and clearly marked as confidential. Parties are also required to file redacted public versions clearly marked as such that will be posted on the electronic filing system.

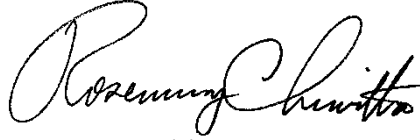
We further note that in accordance with the *Final Implementation Order* all certified out-of-state solar PV systems have been assigned a certification number in the following format PA-NNNNNN-NSTI-I to indicate that they are still eligible to be used by EDCs and EGSs to meet their AEPS Act Tier I non-solar share requirements.⁴ These systems will continue to retain the PA-NNNNNN-NSTI-I certification format even if any portion of their AECs are approved for use by an EDC or EGS under Section 2804(2)(ii) of the Adm. Code, 71 P.S. § 714(2)(ii), to meet their AEPS Act solar PV share requirements. The Commission's AEC Program Administrator will determine compliance based on the sources and numbers of credits from out-of-state facilities approved by the Commission for each EDC and EGS through this petitioning process.

³ Contracts may include those directly entered into between an out-of-state certified Tier I solar facility and an EDC or EGS; and/or a trail of contracts between an out-of-state certified Tier I solar facility, one or more intermediaries such as but not limited to wholesale default service participants or solar AEC aggregators, and an EDC or EGS which directly exhibits that a committed quantity of solar AEC output from the certified generation facility is being utilized to facilitate an EDC's or EGS's Tier I solar Alternative Energy Portfolio Standards obligations.

⁴ *Final Implementation Order* at 12.

Please direct all questions regarding this process are to be directed to Kriss Brown, Assistant Counsel, Law Bureau, kribrown@pa.gov, (717) 787-4518 and Darren Gill, Bureau of Technical Utility Services, dgill@pa.gov, (717) 783-5244.

Sincerely,



Rosemary Chiavetta
Secretary

Cc Gladys M. Brown, Chairman
Andrew G. Place, Vice Chairman
Norman J. Kennard, Commissioner
David W. Sweet, Commissioner
John F. Coleman, Jr., Commissioner
Jan H. Freeman, Executive Director
The Office of Consumer Advocate
The Office of Small Business Advocate
The Bureau of Investigation and Enforcement
Paul T. Diskin, Director of TUS
Kriss E. Brown, LAW
AEC Program Administrator
All parties that filed comments at the Docket No. M-2017-2631527