

Pennsylvania



General Assembly Makeup

Party	House	Senate
Republican	120	33
Democrat	82	16
Vacancies	1	1

Public Utility Commission

5 Members, Politically Appointed

Gladys M. Brown, Chairman (D) – term expires April 1, 2023
Andrew G. Place, Vice Chairman (D) – term expires April 1, 2020
John F. Coleman (R) – term expires April 1, 2022
Norman J. Kennard (R) – term expires April 1, 2019
David W. Sweet (D) – term expires April 1, 2021

Pennsylvania Legislative and Regulatory Action

Ratemaking

Public Utility Commission's (PUC) policy statement on alternative ratemaking-

On May 3, two days after the House passed House Bill 1782, the PUC issued a policy statement on alternative ratemaking, the provisions of which mirror the provisions in HB 1782. The policy statement was published in the PA Bulletin on June 16, opening up a 60 day comment period.

House Bill 1782 (Representative Sheryl Delozier) - This bill gives the PUC statutory authority to approve alternative ratemaking mechanisms for electric, gas and water utilities. The bill includes but is not limited to the following mechanisms: decoupling, performance based rates, multi-year rate plans and formula rates. Utilities are not mandated to file but must do so through a base rate proceeding. The bill passed the House of Representatives on May 1 and passed the Senate on June 22. The utility lobby fought off a last-minute/aggressive attempt by a group of industrial customers to get an amendment considered in the Senate that would have watered down the bill's provisions. The bill was signed into law by the Governor on June 28, making it Act 58 of 2018.

Energy Efficiency/Conservation

SB 805 (Senator Lisa Boscola) – This bill is a reintroduction of a bill from last session that amends Act 129 to permit large industrial customers to opt-out of the energy efficiency requirements of the Act. The bill provides EDCs the option of adjusting energy efficiency and peak demand targets to reflect those customers that have opted out. Last session the bill passed the Senate but was not considered by the House before the legislative session ended. The bill is currently in the Senate Consumer Protection and Professional Licensure Committee.

House Bills 1563-1566 (Representative Mike Reese) – These are reintroduced bills from last session that make various changes to the smart meter provisions under Act 129 such as requiring EDCs to obtain customer consent before providing metering data to a government agency, allowing customers to opt out of receiving a smart meter and removing the mandate for EDCs to install smart meter technology. The customer consent bill (HB 1563) passed the House on July 7, 2017 and is currently in the Senate Consumer Protection and Professional Licensure Committee. The other bills remain in the House Consumer Affairs Committee.

Protection of Services

Senate Bill 652 (Senator Mike Regan) – Amends the PA Crimes Code to enhance criminal penalties for criminal trespass on critical infrastructure facilities, which include electric and gas distribution facilities. The bill would also provide protection to law

enforcement and emergency personnel who may need to enter critical infrastructure facilities to capture trespassers or respond to an emergency. The bill passed the Senate on May 23 and is currently in the House Environmental Resources and Energy Committee.

Drones

House Bill 1346 (Representative Jeff Pyle) – Amends the PA Crimes Code to create the offense of unlawful use of unmanned aircraft. The intent of the bill is to combat the use of drones for the purpose of surveillance on private property. The bill provides for a number of exemptions, including a specific exemption for employees and agents of water, gas and electric utilities that utilize drones. The bill passed the House on July 7, 2017 and is currently in the Senate Appropriations Committee.

Distributed Generation

House Bill 1412 (Representative Stephen Barrar) – Creates the Energy Resiliency and Emergency Preparedness Act to allow utilities to establish pilot projects for microgrids and energy storage. Electric distribution companies would be permitted to recover through rates the cost to construct a microgrid or energy storage facility as well as the reasonable and prudent costs incurred to maintain and operate those facilities. The bill was voted out of the House Veterans Affairs and Emergency Preparedness Committee and awaits consideration by the House.

House Bill 1446 (Representative Marquerite Quinn) – Creates the Pennsylvania Clean Transportation Infrastructure Act to establish a state goal of expanding electric transportation usage, develop regional transportation plans, require electric utilities to submit infrastructure investment proposals, complete statewide electric and gas refueling networks and assess opportunities to increase the deployment of natural gas vehicles. The bill was voted out of the House Transportation Committee and awaits consideration by the House.

House Bill 1799 (Representative Donna Bullock)- Amends the Public Utility Code to authorize electric utilities to develop pilot solar initiatives that enable low income customers to share in the value of solar energy production. The bill also permits electric utilities to offer special rates on a competitively-neutral basis where customers can fund local solar development through their voluntary charges on their distribution bills. House Bill 1799 also clarifies Pennsylvania law to allow electric utilities to build, own, and operate Pennsylvania based solar projects to meet their obligations under Pennsylvania's Alternative Energy Portfolio Standards Act. The bill also allows electric utilities to recover the costs of incentive programs to customers to encourage the installation of "smart" inverters and battery storage systems that can promote greater reliability and use of solar on the grid. The bill is currently in the House Consumer Affairs Committee.

Senate Bill 1140 (Senator Charles McInhinney) - Both bills set a goal of 100% renewable energy by 2050. To allow for the transition to 100% renewables, these bills establish a Clean Energy Transition Task Force, a Clean Energy Center of Excellence, and a Council for Clean Energy Workforce Development, which would be tasked with evaluating current pollution-related issues affecting Pennsylvania. Senate Bill 1140 is in

the Senate Environmental Resources and Energy Committee. A companion bill is in the process of being introduced in the House by Representative Chris Rabb.

Natural Gas Main Extensions

House Bill 107 (Representative Bob Godshall) – This bill would allow a natural gas distribution company to file a petition with the PUC proposing a surcharge to extend natural gas distribution service to unserved or underserved areas within its certificated service territory. The amount allowed to be recovered under this “Distribution System Extension Charge” would be 2.5% of distribution revenue. The legislation was voted out of Committee and sits on the House Floor, where it has some nuisance amendments filed to it. Industry has been supportive or neutral, and notably has granted the PUC and consumer advocates several concessions. The biggest issue is that the bill now has to overcome political issues in an election year with some members tying it to the severance tax, not to mention opposition from oil and propane dealers.

One Call Enforcement (Related to Underground Utilities)

Senate Bill 242 (Senator Lisa Baker) – This legislation, which has had many incarnations in the last eight years, finally passed in October 2017 and is currently being implemented. Enforcement authority for proper underground utility identification and related issues was transferred from the Department of Labor and Industry to the PUC. A stakeholder committee was created and will be reviewing cases later this year

Eminent Domain

House Bill 2468 (Representative Warren Kampf)- In response to a number of school districts condemning farm lands to build new school buildings, House Bill 2468 was introduced and placed a blanket prohibition on eminent domain by government agencies as well as public utilities. The bill was fast tracked through the House and Senate during the month of June, with limited opportunity to amend the bill. An amendment was added in the Senate to exempt electric utilities from the bill. The gas utilities also attempted to get an amendment added to exclude their above ground facilities but were unable prior to the final vote in the Senate. The bill was signed into law by Governor Wolf on June 24, becoming Act 45 of 2018.

Pipeline “Safety” Legislation

Below is a series of bills that the gas industry is monitoring. There is considerable political pressure to move some sort of pipeline safety legislation that connects to eminent domain, local control, emergency management, etc. due to the mistakes made by Sunoco on the Mariner East II Pipeline. It is not clear what the Senate will ultimately push, but some gas utilities have been in the meetings with Marcellus Shale Coalition to be prepared when the day comes.

- [SB 835](#) (Dinniman) providing for registration and certification of land agents
- [SB 930](#) (Dinniman) providing for pipeline emergency management information
- [SB 931](#) (Dinniman) providing for automatic pipeline safety shutoff valves
- [SB 1027](#) (Rafferty) providing for notifications prior to “the drilling of a pipeline”

- [SR 373](#) (Rafferty) providing for a pipeline commission
- [SB 1199](#) (Rafferty) instructs the Attorney General to develop a property owner's bill of rights