

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 705 Session of 2025

INTRODUCED BY WEBSTER, HOHENSTEIN, PIELLI, HILL-EVANS, SANCHEZ, KHAN, CERRATO AND CIRESI, FEBRUARY 24, 2025

REFERRED TO COMMITTEE ON ENERGY, FEBRUARY 24, 2025

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in restructuring of electric utility
3 industry, providing for development of grid infrastructure.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 66 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 2816. Development of grid infrastructure.

9 (a) Coordination.--The commission shall ensure adequate
10 coordination among electric distribution companies to prepare
11 this Commonwealth for the grid capacity and resilience needed to
12 ensure the reliable and secure operation of the grid in response
13 to increased demand from quickly growing industries.

14 (b) Guidelines.--No later than 180 days after the effective
15 date of this section, the commission shall issue guidelines for
16 electric distribution companies to prepare infrastructure
17 development plans to promote grid security and improve the
18 resilience and reliability of the grid while addressing growing

1 demand. The plan shall address all of the following:

2 (1) The establishment of a secure, resilient grid
3 network capable of withstanding cyber and physical threats,
4 as well as any capacity expansion or other modification
5 required to maintain reliability and meet demand from new and
6 growing sectors, including transportation electrification.

7 (2) The electrification of critical public
8 infrastructure, including public transit, emergency services
9 and governmental fleets, to enhance the resilience and
10 recovery capabilities of this Commonwealth, specific
11 inclusion of long-term projects and plans for increases in
12 demand from emerging industries, including increased electric
13 vehicles designed for light, medium and heavy duty, data
14 centers and other large load customers.

15 (3) Deployment of grid modernization technologies,
16 including energy storage systems, microgrids, electric
17 vehicle charging stations and advanced metering
18 infrastructure to improve grid security and resilience.

19 (4) Requirements to ensure that electric distribution
20 company development plans are implemented in a competitive
21 and nondiscriminatory manner with opportunities for third-
22 party security vendors and technology providers.

23 (5) Open standard communication protocols for grid
24 operations and system interoperability to enhance security
25 against cyber threats.

26 (6) Policies to ensure grid infrastructure is deployed
27 in underserved and high-risk areas vulnerable to grid
28 disruptions.

29 (c) Grid infrastructure development plans.--

30 (1) An electric distribution company shall, consistent

1 with the guidelines issued under subsection (b), file an
2 application for approval of a grid infrastructure development
3 plan with the commission within one year of the effective
4 date of this section.

5 (2) The plan shall:

6 (i) Describe the electric distribution company's
7 proposal to ensure the resilience, security and
8 reliability of the grid while meeting Federal and State
9 energy security standards.

10 (ii) Include strategies to optimize grid
11 performance, including demand management, distributed
12 generation integration, deployment of infrastructure to
13 support transportation electrification and advanced
14 cybersecurity measures.

15 (iii) Include an evaluation of the impact that
16 implementation of the plan will have on the following:

17 (A) Increased grid security and reliability,
18 particularly in areas where critical infrastructure
19 is located.

20 (B) The expansion and strengthening of the
21 transmission and distribution network to withstand
22 physical and cyber threats.

23 (C) The expansion and strengthening of the
24 transmission and distribution network to meet
25 electricity demand from new and growing sources,
26 including an evaluation of public electric vehicle
27 charging infrastructure and vehicle adoption rates.

28 (D) Economic activity and economic development
29 within the public utility's service territory,
30 including capital investments, the direct or indirect

1 creation of jobs and additions to the tax base of
2 this Commonwealth.

3 (E) The rates charged to the bundled retail
4 customers of the public utility.

5 (F) The financial risk to customers of the
6 public utility, including impacts on low-income
7 ratepayers.

8 (3) The electric distribution company shall develop the
9 plan in consultation with all of the following:

10 (i) The Department of Transportation.

11 (ii) The Department of Environmental Protection.

12 (iii) The Pennsylvania Emergency Management Agency.

13 (iv) Local and regional governments and
14 representatives of underserved communities within the
15 electric distribution company's service territory.

16 (v) Experts in grid security and resilience.

17 (vi) Any other pertinent group or entity determined
18 by the electric distribution company or the commission.

19 (d) Approval criteria.--When considering an application for
20 approval under subsection (c), the commission shall consider all
21 of the following:

22 (1) Whether the investments, programs and expenditures
23 are reasonably expected to improve the public utility's
24 system efficiency, security and operational flexibility.

25 (2) Whether the investments, programs and expenditures
26 increase the resilience and security of critical
27 infrastructure.

28 (3) Whether the investments, programs and expenditures
29 position the electric distribution company to meet and enable
30 increasing electricity demand from transportation

1 electrification and other growing sectors.

2 (4) Whether the costs of the investments, programs and
3 expenditures are reasonably mitigated through the utilization
4 of available Federal and State security incentives and
5 funding programs, including direct and indirect grants.

6 (5) Whether the investments, programs and expenditures
7 support private capital investments and skilled jobs in
8 related security services.

9 (6) Whether the investments, programs and expenditures
10 are transparent and incorporate public reporting
11 requirements.

12 (e) Plan approval or disapproval.--

13 (1) The commission shall, after reasonable notice and
14 hearing and within 180 days of submission of an application
15 under subsection (c), approve or disapprove the grid
16 infrastructure development plan.

17 (2) If the commission does not approve the plan, the
18 commission shall describe in detail the reasons for the
19 disapproval, and the electric distribution company may file,
20 within 60 days, a revised plan to address the deficiencies.

21 (3) The commission shall approve or disapprove the
22 revised plan within 60 days of receipt.

23 (f) Additional plans.--An electric distribution company
24 shall file an updated grid infrastructure development plan five
25 years after the initial approval of the plan.

26 (g) Recovery of costs.--A public utility that engages in
27 measures to enhance grid security infrastructure in accordance
28 with a plan approved under subsection (e) may recover the public
29 utility's reasonable costs through a commission-approved tariff
30 rider or base rate.

1 (h) Definitions.--As used in this section, the following
2 words and phrases shall have the meanings given to them in this
3 subsection unless the context clearly indicates otherwise:

4 "Grid security." The protection of the electrical grid from
5 physical, cyber and operational threats to ensure continuous
6 reliable service.

7 "Transportation electrification." The use of electricity to
8 power vehicles.

9 "Underserved community." A community that meets any of the
10 following criteria:

11 (1) Qualified census tracts with high poverty rates or
12 public health concerns.

13 (2) Public school zones with a high percentage of
14 students eligible for free or reduced-price meals.

15 (3) Areas vulnerable to significant grid disruptions or
16 security threats.

17 Section 2. This act shall take effect in 90 days.