

PRESS Reforms to AEPS Would Drive Billions in Federal Funds to Pennsylvania

The Pennsylvania Reliable Energy Sustainability Standards Act, or PRESS ([HB2277](#) and [SB1190](#)), extends and expands Pennsylvania's Alternative Energy Portfolio Standards Act (P.L.1672, No.213) (also referred to as AEPS). PRESS creates three tiers of electricity generation eligible to meet requirements. Tier I resources—primarily clean energy—would need to provide 35% of in-state power generation by 2035.

How would the PRESS Act help Pennsylvanians?

Passing the PRESS bill into law would unlock and accelerate the flow of new federal funding to Pennsylvania and help lower energy bills. The Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) both created substantial tax credits and grant programs that Pennsylvania could claim to lower the cost of clean energy resources.

Moreover, Pennsylvania has been [falling behind other states](#) in diversifying energy generation and in producing clean, reliable, and affordable energy. PRESS would help ensure Pennsylvania remains competitive with neighboring states and preserve its leadership in energy production. The passage of PRESS

and subsequent increased clean energy deployment in-state is crucial for Pennsylvania to secure this federal investment as quickly as possible and bring affordable and reliable clean energy to local communities.

How do the federal tax credits work?

PRESS is set to increase renewable energy from about [3.8%](#) to 35% by 2035. That's at least 6.5 million MWh of clean energy generation every year driven by PRESS (and even more accounting for load growth). This new clean energy generation would bring \$177 million in federal tax dollars to Pennsylvania each year from the [standard production tax credit](#). That would mean \$1.77 billion in tax credits claimed by Pennsylvania over the next decade. Most of the state is also considered an "[energy community](#)," and therefore eligible for stackable [bonus credits](#). Bonus credits for energy communities and domestic content could increase Pennsylvania tax credit awards to \$2.15 billion. These tax credits would bring down the cost of Pennsylvanians' energy bills while supporting local businesses and creating new jobs.

Over the next decade, PRESS Tier I requirements alone could drive:

- **\$1.77 billion in federal tax credits to PA**
- **Up to \$380 million in bonus tax credits**

Under PRESS, Tier II and Tier III resources must achieve 10% of the electricity mix by 2034 and 5% by 2031, respectively. Carbon capture and storage (CCS) and hydrogen co-firing technologies are eligible in these categories. The IRA created or expanded tax credits for both of these technologies as well.

Federal tax credits that Pennsylvania could claim by enacting PRESS include the:

- **Investment Tax Credit for carbon-free electricity**
- **Production Tax Credit for carbon-free electricity**
- **45Q Tax Credit for CCS**

- **45V Tax Credit for clean hydrogen**

Pennsylvania is also already leveraging substantial competitive grant funding for clean energy from the IRA and IIJA that can help enable progress towards the goals of PRESS, including regarding affordability and reliability.

Federal Grant Funds Claimed by Pennsylvania to Date That Support PRESS	
State Energy Program (IIJA)	\$14,079,120
Energy Efficiency and Conservation Block Grants (IIJA)	\$3,021,000
Energy Efficiency Revolving Loan Fund (IIJA)	\$3,306,830
Preventing Outages and Enhancing the Resilience of the Electric Grid (IIJA)	\$40,582,000
OSMRE Abandoned Mine Reclamation Fund (IIJA)	\$416,219,333
Climate Pollution Reduction Planning Grant (IRA)	\$3,000,000

The bottom line

Enacting PRESS would give Pennsylvania lawmakers a real win to bring home to their constituents: local, affordable clean energy and billions in federal funds that would otherwise go unclaimed or to other states. But, this massive funding windfall is time-bound. Pennsylvania must act now to accelerate the flow of federal funds to support affordable clean energy development and protect its leadership in energy generation.