

**Ordinance No. 743
Exhibit "A"**

**City of Washington, Kansas
Electric Department**

**Net Metering
Policy & Procedure
For Customer-Owned
Renewable Energy Resources**

1. INTRODUCTION

The provisions of this Net Metering policy shall apply only to Customer Generators with Renewable Energy Resources approved by the City.

2. NET METERING GENERAL PROVISIONS:

- a. The City shall offer Net Metering to its Customers that wish to generate electricity on the Customer's side of the meter using only renewable resources for energy sources.
- b. Net Metering is intended for Customer Generators with a rated output of less than 25,000 watts (25 kW). Systems rated for more than 25 kW will be handled under a different process and may involve the local control area and regional transmission organization.
- c. The City shall make Net Metering available to eligible Customer Generators within its service area on a first-come, first-served basis. The maximum total rated capacity in kW of customer generation that will be allowed on the City's system shall be restricted to not more than one percent of the City's peak demand during the previous Annualized Period.
- d. Customer Generators shall be equipped with properly approved City metering equipment that can measure the flow of electricity in both directions at the same rate, typically through use of a single bi-directional meter. Necessary metering will be supplied and installed by the City.
- e. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period exceeds the electricity supplied by the City in such billing period, the City shall settle with the Customer Generator for the excess kilowatt-hours (kWh) in accordance with the billing practices described in this policy.
- f. If a Customer Generator formally terminates Net Metering, the City shall treat the end of the service period as if it were the end of the billing period and, if applicable, settle with the Customer Generator according to the appropriate billing practices.
- g. The City shall provide Net Metering at non-discriminatory rates that are identical with respect to the applicable customer rate class, retail rate components, and any monthly charges, to the rates that a customer would be charged if not a Customer Generator.
- h. The City shall not charge a Customer Generator any fee or charge, or require additional equipment or any other requirement, unless the fee, charge, or other requirement is specifically authorized under the terms of the Interconnection Agreement, this Policy or if the fee, charge or other requirement would apply to other customers that are not Customer Generators. Any insurance coverage that may be required is specifically exempted from this paragraph, however, and is subject to the terms of the Interconnection Standards for Parallel Installation and Operation of Customer-Owned Electric Generating Facilities.
- i. Nothing in this Policy shall abrogate any Customer's obligation to comply with all applicable Federal, State, or local laws, codes, or ordinances; nor with the Standards, Service Regulations, and Policies of the City.

3. INTERCONNECTION STANDARDS

- a. To qualify for Net Metering, Customer Generators must comply with the City's Interconnections Standards for Parallel Installation and Operation of Customer-Owned Electric Generating Facilities.

4. REQUEST

- a. The Customer Generator shall make a request for Net Metering by completing the City's Application for Net Metering and the City's Application for Interconnection. The City may require additional details or clarifications as needed to properly evaluate the application.

5. BILLING PRACTICES

- a. Positive Net Consumption. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period is less than the electricity delivered by the City during such billing period, billing for the net energy supplied by the City will be made in accordance with the rate schedule applicable to the Customer's assigned rate class and all applicable riders.
- b. Negative Net Consumption. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period is more than the electricity supplied by the City in a billing period, the excess electric energy shall be retained by the City as a contribution to fixed costs associated with owning and maintaining the facilities required to provide electric service.
- c. Customer Generators remain responsible for all charges incurred during each billing period including, but not limited to: customer charges, facilities charges, demand charges, environmental charges, transmission charges, any late payment charges, and any requirements for deposits or special charges or fees that may be applied.
- d. Any net excess generation credit remaining in a Customer Generator's account at the end of each Annualized Period shall expire.

6. ELIGIBILITY:

Interconnection to the electric system shall be granted only to new or existing customers, in good standing, under the City's electric service schedules. All agreements hereunder shall be between the Customer Generator and the City and will not include third parties.

7. REQUEST:

The Customer Generator shall make a request by completing the attached documents entitled "Application for Net Metering" and "Application for Interconnection." The City may require additional information or clarifications as needed to properly evaluate the application.

8. SYSTEM EFFECTS:

The City will analyze the overall impact of the proposed generating facility on the transmission and distribution system. Such analyses will be based on Good Utility Practice to determine thermal effects, voltage ranges, power quality, system stability, etc.

9. SYSTEM UPGRADES:

As a result of the above analysis, the City will provide the Customer Generator with a cost estimate and projected timeframe for any system upgrades, to be paid for by the Customer Generator that may be necessary to accommodate the generating facility.

10. CODES AND PERMITS:

- a. The Customer Generator shall be responsible for procuring all building, operating and environmental permits that are required by any Governmental Authority having jurisdiction for the type of generating facility and for the necessary ancillary structures to be installed.
- b. The equipment shall meet the standards listed in the attached document entitled “National Certification Codes and Standards”.
- c. The construction and facilities shall meet all local building and electrical codes.

11. CERTIFICATE OF COMPLETION:

Upon completion of the generating facility and prior to normal operation, the Customer Generator shall provide a signed copy of the attached document entitled “Certificate of Completion” as required by the Interconnection Agreement.

12. NORMAL OPERATION:

The Customer Generator may begin normal operation of the generating facility upon completion of all documentation, inspection by, and receipt of written approval from the City.

13. DEFINITIONS:

All capitalized terms and phrases throughout this set of standards shall be defined as indicated in the attached Glossary of Terms.

- a. Annualized Period – The City’s twelve calendar month fiscal year; that is, from January 1 through December 31 of the same year.
- b. Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.
- c. Customer – Any entity interconnected to the City’s distribution system for the purpose of receiving retail electric power service from the City’s distribution system.
- d. Customer Generator – The owner or operator of a net metered facility which:
 - 1) is powered by a renewable energy resource;
 - 2) is located on a premises owned, operated, leased or otherwise controlled by the Customer Generator;
 - 3) is interconnected and operates in parallel phase and synchronization with an affected utility and is in compliance with the standards established by the affected utility;

- 4) is intended primarily to offset part or all of the Customer Generator's own electrical energy requirements;
 - 5) contains a mechanism, approved by the utility, that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines in the event that service to the Customer Generator is interrupted.
- e. Customer-Owned Generating Facility– The Customer's equipment for the production of electricity identified in the Interconnection Application.
 - f. Distribution System – The City's facilities and equipment used to transmit electricity to ultimate usage points including residential, commercial and industrial facilities directly from nearby generation points or from interchanges with higher voltage transmission networks which transport bulk power over longer distances.
 - g. Force Majeure – A Force Majeure event shall mean “any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control”. A Force Majeure event does not include an act of negligence or intentional wrongdoing.
 - h. Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
 - i. Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer or any Affiliate thereof.
 - j. Interconnection Application – The Customer's request to interconnect a new Customer-Owned Generating Facility, or to increase the capacity of, or make a material modification to the operating characteristics of, an existing Customer-Owned Generating Facility that is interconnected with the City's electrical system.

- k. Net Metering -A bi-directional metering process using equipment sufficient to measure the difference between the electrical energy supplied by a Customer Generator to the City's Distribution System and the electrical energy supplied by the Customer Generator to the City and over an applicable billing period.
- l. Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- m. Renewable Energy Resource -Electric energy produced from solar or wind resources, or other energy resources defined as renewable by Kansas statute.
- n. System Average Energy Cost – The current average cost of fuel and purchased energy for the billing period as determined by the City.
- o. System Upgrades – The additions, modifications, and upgrades to the City's Distribution System at or beyond the point of interconnection to facilitate interconnection of the Customer-Owned Generating Facility.

Application for Net Metering

This Application is considered complete when it provides all applicable and correct information required below. Additional information or clarification to evaluate the Application may be requested by the City.

Customer

Name: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Customer Signature

I agree to abide by the terms and conditions of the City's Net Metering Policy & Procedures for Customer-Owned Renewable Energy Resources.

Signed: _____
Date: _____

For Office Use Only

Requirements for Approval of Net Metering

The City must verify that the following requirements are met in order for Customer Generator to qualify for Net Metering:

- Qualified Renewable Energy Resource
- Application for Interconnection
- Interconnection Agreement
- Certificate of Completion

City Signature: _____

Title: _____ Date: _____

Application ID Number: _____