

ORDINANCE 15-04

AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA: AMENDING SECTION 38-178 (i) OF THE CODE OF ORDINANCES TO ELIMINATE THE REQUIREMENT THAT THE OWNERS OF SMALL CUSTOMER-OWNED RENEWABLE ENERGY SYSTEMS (THOSE GENERATING 10KW OR LESS) PROVIDE GENERAL LIABILITY INSURANCE NAMING THE CITY AS AN ADDITIONAL INSURED BEFORE CONNECTING TO THE CITY ELECTRIC UTILITY SYSTEM; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City adopted a “Code of Ordinances, City of Alachua, Florida,” Consisting of Chapters 1-40 on September 27, 2010; and,

WHEREAS, the City desires to amend Section 38-178(i) of Chapter 38 of its Code of Ordinances which considers electric service; and,

WHEREAS, Section 38-178 (i) of the City Code currently requires that customers of the city electric system owning renewable electric generation systems generating 10kW or less provide proof of \$100,000 in General Liability Insurance naming the City of Alachua as an additional insured before that system can be interconnected to the city system; and,

WHEREAS, Residential customers are the largest users of renewable electric generation systems of 10kW or less; and,

WHEREAS, Homeowner insurance policies do not cover the interconnection/net metering risk presented by such systems and separate general liability insurance as required by the current language of City Code Section 38-178 (i) is not available in the marketplace; and,

WHEREAS, Two current city electric utility interconnection customers are without the insurance required by the City Code and one application for interconnection can not move forward due to the unavailability of the required coverage; and,

WHEREAS, The City Commission finds the amendment of Section 38-178 (i) of the City Code to eliminate the requirement for proof of insurance naming the city as additional insured before entering into an interconnection/net metering agreement, limited to systems generating 10 kW or less, to be in the public interest and consistent with the intent of the Legislature as expressed in Florida Statute 366.91.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA.

SECTION 1. INCORPORATION OF RECITALS

The above recitals are true and correct and are incorporated in this ordinance.

SECTION 2. AMENDMENT TO SECTION 38-178 (i) OF THE CODE OF ORDINANCES

Section 38-178 (i) of the Code of Ordinances, City of Alachua, Florida is hereby amended to read as follows:

Sec. 38-178 (i)

Customer Insurance requirements. Customers with customer-owned renewable generation systems interconnect to the City's electric distribution system shall maintain general liability insurance for personal injury and property damage in the following coverage amounts:

(1) Systems with a gross power rating of 10 kW or less\$100,000.00

(2) Systems with gross power rating of 10 kW to 100 kW\$1,000,000.00

Customers shall provide proof of insurance coverage naming the City as additionally insured.

(1) Customers installing and operating an interconnected renewable generation system with a gross power rating of 10 kW or less shall not be required to provide proof of liability insurance. However, it is highly recommended that such customers carry an appropriate level of such insurance.

(2) Customers installing and operating an interconnected renewable generation system with a gross power rating of more than 10 kW shall provide proof of continuous general liability insurance covering personal injury and property damage with coverage limits no less than \$1,000,000/\$1,000,000. Proof of such insurance naming the city as an additional insured shall be provided the city prior to interconnection and on at least an annual basis thereafter.

SECTION 4. PROVIDING FOR SEVERABILITY

It is the declared intent of the Alachua City Commission that, if any section, sentence, clause, phrase, or provision of this ordinance is for any reason held or declared to be unconstitutional, void, or inoperative by a court or agency of competent jurisdiction, such holding of invalidity or

unconstitutionality shall not affect the remaining provisions of this ordinance and the remainder of this ordinance, after the exclusion of such part or parts, shall be deemed to be valid.

SECTION 5. REPEALER

All ordinances or parts of ordinances in conflict with this ordinance are, to the extent they conflict with this ordinance, repealed.

SECTION 6. EFFECTIVE DATE

This Ordinance shall take effect immediately upon its passage and adoption on the second and final reading.

PASSED in first reading this 23rd day of March, 2015.

**CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA**

Gib Coerper, Mayor

SEAL

ATTEST:

APPROVED AS TO FORM

Traci L. Cain, City Manager/Clerk

Marian B. Rush, City Attorney