

**ORDINANCE 16-16**

**AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA; AMENDING SECTION 38-178 OF THE CITY OF ALACHUA CODE OF ORDINANCES RELATING TO INTERCONNECTION AND NET METERING OF CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS; INCREASING THE MAXIMUM OUTPUT OF CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS; AMENDING THE APPLICATION FEES; ESTABLISHING A SERVICE CHARGE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING FOR INCLUSION IN THE CITY CODE; AND, PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Alachua provides for the interconnection and net metering of customer-owned renewable generation systems in accordance with Florida Statute 366.91; and

**WHEREAS**, it is in the public interest to promote the development of renewable energy resources; and

**WHEREAS**, increasing the allowable maximum output of customer-owned renewable generation systems that are interconnected to the City's electric distribution system will continue to promote the development of renewable energy resources; and

**WHEREAS**, the City of Alachua Commission finds the amendment of Section 38-178 of the City of Alachua Code of Ordinances to be in the public interest.

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

**Section 1. Amendment of Code of Ordinances**

Section 38-178 of the City of Alachua Code of Ordinances is hereby amended to read as follows:

**Section 38-178. Interconnection and net metering of customer-owned renewable generation systems.**

- (a) The City Manager shall establish a written policy designating procedures for the interconnection and net metering of customer-owned renewable generation systems in order to promote the development and use of small, customer-owned renewable generation, particularly solar and wind energy systems; lessen the dependence on fossil fuels for energy production; minimize the volatility of fuel costs; improve the environment; and minimize the costs of energy supply to customers.
- (b) The interconnection of customer-owned renewable generation systems to the City's electric distribution system is on a first-offered, first-accepted basis. Application for interconnection and net metering shall be made for new services and any proposed modifications as described in Sec. 38-178(d). Interconnection is subject to diminution and/or rejection in the event the total amount of customer-owned renewable generation systems exceeds 10 percent of the City's system energy requirements.
- (c) The interconnection of customer-owned renewable generation systems to the City's electric distribution system is limited to systems with the following maximum output:

- Tier 1: 10 kW or less
- Tier 2: 10+ kW through 100 kW
- Tier 3: 100+ kW through 1,500 kW
- (d) Customer-owned renewable generation systems is primarily intended to offset all or part of the customer's electric consumption requirements. As such, the gross power rating of a customer-owned renewable generation system shall be limited in size to 90 percent of the utility distribution service rating. The term "gross power rating" (GPR) means the total manufacturer's AC nameplate generating capacity of an on-site customer-owned renewable generation system that will be interconnected to and operate in parallel with the City of Alachua distribution facilities. For inverter-based systems, the GPR shall be calculated by multiplying the total installed direct current (DC) nameplate generating capacity by 0.85 in order to account for losses during the conversion from DC to alternating current (AC). Customers desiring to increase the GPR of their customer-owned renewable generation system must notify the City in writing of the proposed modifications to the system and submit a new application for interconnection specifying the proposed modifications.
- (e) Customers desiring to interconnect a customer-owned renewable generation system to the City's electric distribution system must enter into a written agreement with the City providing the terms and conditions thereof.
- (f) Metering.
- (1) Energy metering from the interconnection of customer-owned renewable generation system shall be accomplished by separately registering the flow of energy both (1) from the City's electric distribution system; and (2) excess energy (kW-hr) generated by customer-owned renewable generation system and delivered to the City's electric system. The metering equipment for interconnection of customer-owned renewable generation systems shall be installed at the point of delivery at the expense of the City.
  - (2) Meter readings shall be taken monthly on the same cycle as required under the otherwise applicable rate schedule.
  - (3) Any meter or meters installed to measure total renewable electricity generated by the customer for the purposes of receiving Renewable Energy Certificates (or similarly titled credits for renewable energy electricity generated) shall be installed at the expense of the customer, unless determined otherwise during negotiations for the sale of the customer's credits to the City.
- (g) Charges. All rates charged for customer-owned renewable generation shall be in accordance with the customer's otherwise applicable rate schedule (i.e., residential, general service demand, general service, nondemand, etc.). Customers with customer-owned renewable generations systems are responsible for all charges from their otherwise applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. Charges for energy (kW-hr) supplied by the City will be based on the net metered consumption of energy in accordance with the following:
- (1) Electric energy from the customer-owned renewable generation system shall first be used to serve the load and offset the demand for energy from the City's electric distribution system by the customer.
  - (2) Customer shall be billed for the total amount of electric energy delivered to customer by the City during the billing period in accordance with the otherwise applicable rate schedule.
  - (3) Excess customer-owned renewable generation shall be purchased by the City in the form of a credit to the customer on their monthly energy bill. Each billing cycle, the customer will be credited for the total amount of excess energy generated by the customer-owned renewable generation that is delivered to the City's electric system during the previous billing cycle. Any credit to the customer will be determined in accordance with the applicable energy and bulk power cost adjustment charges (expressed in \$ per kW-hr).
  - (4) In the event that a credit for excess customer-owned renewable generation exceeds the total billed amount for customer's consumption in any corresponding billing period, the excess credit shall be applied to the customer's subsequent bill. Excess energy credits produced shall accumulate and offset customer's energy consumption bill for a period not to exceed 12 months. In the last billing cycle of each fiscal year, any unused excess energy credits shall be paid by the City to the customer, at the wholesale avoided cost rate as defined by the City Code of Ordinances.

- (5) In the event that a customer closes an account, unused excess energy credits shall be paid to the customer at the wholesale avoided cost rate. The payment will first be applied towards outstanding charges associated with the customer's account. Any balance will be sent to the last address or forwarding address by check within 180 days.
- (6) On a monthly basis, the customer shall pay applicable customer and demand charges, regardless of whether excess energy is delivered to the City's electric system in that billing period.
- (7) A service charge of \$20.00 shall be billed monthly for each interconnected meter service.
- (h) Application and inspection fees. Customer shall pay the following fees for the review and processing of applications for interconnection of customer-owned renewable generation systems:
  - (1) Tier 1: \$75.00
  - (2) Tier 2: \$350.00
  - (3) Tier 3: \$800.00
- (i) Customer insurance.
  - (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 of Alachua as the Certificate Holder shall be provided to the City prior to interconnection and on at least an annual basis thereafter.

## **Section 2. Inclusion of the Code**

It is the intention of the City Commission of the City of Alachua, Florida, and it is hereby provided that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Alachua, Florida; that the sections of this ordinance may be renumbered or re-lettered and that the word "ordinance" may be changed to "section", "article" or other appropriate designation to accomplish such intention

## **Section 3. Repealing Clause**

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

## **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 v

## **Section 5. Effective Date**

This Ordinance shall be effective upon its passage and adoption on the second and final reading.

**PASSED** on first reading on the 22<sup>nd</sup> day of August, 2016

**PASSED** and **DULY ADOPTED**, in regular session, with a quorum present and voting, by the City Commission, upon second and final reading on the 12<sup>th</sup> day of September, 2016.

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

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Gib Coerper, Mayor  
**SEAL**

**APPROVED AS TO FORM**

**ATTEST:**

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Traci L. Gresham, City Manager/Clerk

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Marian B. Rush, City Attorney