

**Legislative #**

**120516**

# DRAFT

7/7/2014

## ORDINANCE NO. 120516

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3       **An ordinance of the City of Gainesville, Florida, amending the Code**  
4 **of Ordinances relating to net metering for the electric utility; by**  
5 **amending section 27-21 by creating new and amended definitions; by**  
6 **creating a new section 27-37 titled “Net-metering”; by amending**  
7 **Appendix A, Schedule of Fees, Rates and Charges, to establish**  
8 **administrative fees for net-metering customers; providing directions**  
9 **to the codifier; providing a severability clause; providing a repealing**  
10 **clause; and providing an effective.**

11  
12       **WHEREAS**, at least ten (10) days’ notice has been given once by publication in a  
13 newspaper of general circulation notifying the public of this proposed ordinance and of the  
14 public hearings in the City Hall Auditorium located on the first floor of City Hall in the City of  
15 Gainesville; and

16       **WHEREAS**, the public hearings were held pursuant to the published notices described  
17 above, at which all interested parties had an opportunity to be, and were, in fact, heard.

18       **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE**  
19 **CITY OF GAINESVILLE, FLORIDA:**

20 **Section 1.** Section 27-21 of the Code of Ordinances is amended as set forth below. Except as  
21 amended herein, the remainder of Section 27-21 remains in full force and effect.

22 **Sec. 27-21. Definitions.**

23 Avoided energy cost shall mean the electric system’s total costs which the electric system  
24 avoided stated in dollars of fuel consumed in generation divided by the net generation stated in  
25 megawatt hours, which shall be expressed in \$/net kilowatt hours as published in the most recent  
26 annual generation operation report by the energy supply division, which shall be updated each  
27 calendar year based on actual fuel costs, expenses and net generation of the electric system.

1 Customer-owned renewable generation shall mean an electric generating system located on a  
2 customer's premises intended to offset part or all of the customer's electricity requirements with  
3 renewable energy under terms and conditions that do not include the retail purchase of electricity  
4 from the third party.

5  
6 Gross power rating shall mean the total manufacturer's DC nameplate generating capacity of the  
7 customer-owned renewable generation that will be interconnected to and operated in parallel  
8 with the city's electric distribution system.

9  
10 Net metering shall mean a metering and billing methodology whereby customer-owned  
11 renewable generation is allowed to offset part or all of the customer's electricity consumption on  
12 site. In the event the customer-owned renewable generation creates any excess energy, it may be  
13 delivered to the city's electric distribution system. ~~where a retail customer has installed a~~  
14 ~~photovoltaic or other approved distributed generation system on the customer's side of the~~  
15 ~~electric revenue meter and payment for the excess kilowatt hours delivered to the utility shall be~~  
16 ~~credited against the customer's billing account. The excess kilowatt hours produced by the~~  
17 ~~distributed generation system and delivered to the utility shall be credited at the prevailing rate in~~  
18 Appendix A, Utilities, (1) Electricity, i. 1.(A).

19 **Section 2.** A new section 27-37 titled Net Metering is created and added to the Code of  
20 Ordinances, to read as set forth below. (Note to codifier: Sections 27-38 through 27-70 should  
21 remain reserved for future use.)

22 **Chapter 27. UTILITIES**

23 **ARTICLE II. ELECTRICITY**

1 Sec. 27-37. Net-metering.

2 (a) Intent. It is the intent of this section to promote the use of customer-owned renewable  
3 generation to offset part or all of the customer's electric consumption.

4 (b) Net-metering program availability. The net-metering program is only available to the  
5 city's electric customers who have constructed or are willing to construct customer-  
6 owned renewable generation, at no cost to the city, and are willing to execute an  
7 interconnection agreement in form and substance as provided by the city.

8 (c) Methodology for net-metering calculation. The net of the kilowatt hours used by the  
9 customer (residential or non-residential) less the kilowatt hours exported to the city's electric  
10 distribution system from the customer-owned renewable generation shall be the number of  
11 kilowatt hours that the customer is billed at the applicable retail rate. In the event that excess  
12 kilowatt hours are exported to the city's electric distribution system beyond the kilowatt  
13 hours used by the customer during the billing cycle, such kilowatt hour balance will carry  
14 forward to be netted against kilowatt hours used by the customer during future billing cycles.  
15 If, at the end of each calendar year, the customer's account contains a kilowatt hour credit  
16 balance, the customer shall be paid the credit at the then current avoided energy cost. When  
17 a net-metering customer leaves the city's electric system, the net-metering customer's credit  
18 balance shall be paid at the then current avoided energy cost.

19 (d) Customer Charge. Regardless of whether excess energy is delivered to the city's electric  
20 distribution system, customer shall pay the applicable customer charge and/or the applicable  
21 demand charge for the maximum measured demand during each billing period pursuant to  
22 the applicable rate schedules.

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1 (e) Inspection. All customer-owned renewable generation equipment must be inspected and  
2 approved by the city prior to its operation and connection to the city's electric distribution  
3 system. City approval of the customer-owned renewable generation is not done for the  
4 benefit of the customer and is not a warranty or guarantee, express or implied, of any sort  
5 as to the customer-owned renewable generation. The customer is responsible for  
6 ensuring that their customer-owned renewable generation is inspected, maintained, and  
7 tested regularly pursuant to any manufacturer's recommendations to ensure proper and  
8 safe operation of the customer-owned renewable generation equipment.

9 (f) Gross power rating. Customer-owned renewable generation gross power rating shall not  
10 exceed 90% of the customer's electric distribution service rating. In no event shall  
11 customer-owned renewable generation greater than 2 megawatts, at any one customer-  
12 owned renewable generation site, be allowed to interconnect to the city's electric  
13 distribution system under the net-metering program.

14 (g) Customer-owned renewable generation liability. The customer is responsible for  
15 protecting all customer-owned renewable generation equipment, inverters, protective  
16 devices, and any other system components from damage from the normal and abnormal  
17 conditions and/or operations that may occur on the city's electric distribution system in  
18 delivering and restoring power.

19 (h) Insurance. The customer is responsible for maintaining the appropriate levels of general  
20 liability insurance for personal and property damage related to customer-owned  
21 renewable generation.

(i) Indemnification. The customer shall hold harmless and indemnify the city, its elected officials, employees, and/or any third-party city hired contractors for any and all losses resulting from the customer-owned renewable generation.

(j) Islanding. Customer-owned renewable generation shall not energize the city’s electric distribution system when the city’s electric distribution system is de-energized at the customer’s service point. There shall be no intentional islanding, as described in the Institute of Electric and Electronic Engineers (IEEE) Standard 1547, between the customer-owned renewable generation and the city’s electric distribution system.

(k) Renewable energy credits. The customer shall retain any renewable energy credits or certificates associated with the electricity produced by its customer-owned renewable generation.

**Section 3.** The Electricity, Distributed Resources Rates, portion of the Utilities section in Appendix A – Schedule of Fees, Rates and Charges, is amended to read as follows: Except as amended herein, the remainder of Appendix A remains in full force and effect.

APPENDIX A – SCHEDULE OF FEES, RATES AND CHARGES

UTILITIES:

(1) *Electricity:*

i. Distributed Resources Rates (§ 27-27):

1. General Provision.

(A) Net Metering ~~administrative fees: Applicable only to electric customers of the utility with solar photovoltaic systems. All Renewable Energy Credits (RECs) and other environmental attributes, including, but not limited to carbon offset credits that accrue as a result of the operation of the SPDR which is receiving payment under the Net Metering provision hereof shall be the property of the utility.~~

~~(i) Residential: Excess kilowatt hours delivered to the utility and separately recorded on the customer side of the electric revenue metering device shall be credited at \$0.064 per KWh plus the prevailing retail fuel adjustment (See § 27-28.)~~

~~(ii) Non-Residential: Excess kilowatt hours delivered to the utility and separately recorded on the customer side of the electric revenue metering device shall be credited according to rate class as follows:~~

~~General service non-demand (\$/kWh) 0.081~~

~~General service demand (\$/kWh) 0.042~~

~~Large power (\$/kWh) 0.039~~

~~plus the prevailing retail fuel adjustment (see section 27-28).~~

Customer-owned renewable generation shall be charged the following administrative fees for review and inspection:

(i). Tier 1 – 10 kW DC or less; no fees

(ii). Tier 2 – greater than 10 kW and less than or equal to 100 kW DC; \$400

(iii). Tier 3 – greater than 100 kW and less than or equal to 2 MW DC; \$1,000

(iv). In the event that the city decides that an interconnection study is necessary, the customer may be charged additional fees and/or appropriate cost recovery.

**Section 4.** It is the intention of the City Commission that the provisions of Sections 1

through 3 of this ordinance shall become and be made a part of the Code of Ordinances of the City of Gainesville, Florida, and that the Sections and Paragraphs of this Ordinance may be renumbered or relettered in order to accomplish such intentions.

**Section 5.** If any word, phrase, clause, paragraph, section or provision of this ordinance or the application hereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provisions or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

**Section 6.** All ordinances or parts of ordinances, in conflict herewith are to the extent of such conflict hereby repealed.

**Section 7.** This ordinance shall become effective immediately upon final adoption. However, the rates and charges provided herein shall be applicable to all monthly bills which are for the first time rendered and postmarked after 12:01 A.M. on September 1, 2014.

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**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
EDWARD B. BRADY  
MAYOR

Attest:

Approved as to form and legality:

\_\_\_\_\_  
KURT M. LANNON  
CLERK OF THE COMMISSION

\_\_\_\_\_  
NICOLLE M. SHALLEY  
CITY ATTORNEY

This ordinance passed on first reading this \_\_\_\_ day of \_\_\_\_\_, 2014.

This ordinance passed on second reading this \_\_\_\_ day of \_\_\_\_\_, 2014.