Item #130674 February 6, 2014

From:	<u>McNeill, Shayla L</u>
To:	<u>citycomm</u>
Cc:	<u>Walton, J. Lewis; Viehe, Kathy E; Shalley, Nicolle M.; Williams, Suann; Schlossman, Scott N; Thomas, Tara R;</u> <u>Hunzinger, Robert E; McNeill, Shayla L</u>
Subject:	Grandfathering of GRU net-metering customers
Date:	Thursday, November 14, 2013 4:03:10 PM

Hello Mayor Braddy and Commissioners,

During the August 1, 2013 City Commission meeting, the City Commission asked about the legality of "grandfathering" current net-metering customers.

Section 366.91(6) of the Florida Statutes requires that each municipal electric utility "develop a standardized interconnection agreement and net-metering program for customer-owned renewable generation." In line with the Florida Statutes, GRU developed a standardized interconnection agreement and net-metering program.

The GRU Interconnection Agreement is a standardized application for participation in the net-metering program, which identifies all of the terms and obligations for an applicant to receive approval to connect to GRU's electric system. The Interconnection Agreement notices and advises all net-metering applicants that they will be paid at the current applicable tariff rate. Accordingly, Section 6.2 of the Interconnection Agreement states as follows:

"If the Owner/Operator desires, they shall receive a monthly credit for all excess kilowatt-hours delivered into the distribution system <u>at the current applicable tariff.</u> If the credit exceeds the total GRU billed amount in any corresponding month, the excess credit can be applied to the subsequent month's billings, paid by check, or electronically transferred directly to Owner/Operator as solely deemed appropriate by GRU. <u>GRU reserves the right to modify its tariff at any time without prior notice to Owner/Operator.</u>" (Emphasis added.)

Legally, I recommend against GRU doing anything other than having a standardized interconnection agreement and net-metering program as required by law. Further, I recommend against GRU treating current net-metering customers differently than how GRU will treat future net-metering customers. Any deviation from the Florida Statutes exposes GRU and the City to future litigation risks.

Should you have any additional questions, please do not hesitate to contact me. Kind regards,

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