

ORDINANCE NO. 035, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE ELECTRIC RATES, FEES AND CHARGES FOR CUSTOMERS
PARTICIPATING IN COMMUNITY SOLAR PROJECTS

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the City Charter to fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the electric utility, as set forth therein; and

WHEREAS, the Article XII, Section 6, of the City Charter further conditions the use of electric utility net operating revenues to specified utility purposes and other purposes determined by the City Council to be beneficial to electric utility ratepayers; and

WHEREAS, on September 2, 2014, City Council adopted Ordinance No. 108, 2014, amending Chapter 26, Article VI of the City Code to apply net metering electric service rates to community solar project customers and to accommodate the subscription-based community solar project located at 500 Riverside Avenue (the "Riverside Project"); and

WHEREAS, on November 18, 2014, City Council adopted Ordinance No. 153, 2014, approving the biennial budget for fiscal years 2015-2016, including Budget Offer 59.2 which allocated funding to develop an income qualified community solar project; and

WHEREAS, in October 2016, the City became the first Colorado municipality to partner with the Colorado Energy Office to build a municipal-operated community solar project designed to serve income qualified residents (the "Loomis Project"); and

WHEREAS, the Loomis Project, located at 518 N. Loomis Avenue, was jointly funded through the City's 2015-2016 appropriations, the Colorado Energy Office, in-kind contributions from Grid Alternatives, who managed construction, and community volunteers who assembled portions of the solar array on October 21 and 22, 2016; and

WHEREAS, the Loomis Project consists of approximately 260 solar modules with an estimated total generation capacity of 64 kilowatts, representing a capacity sufficient to provide electric bill benefits to approximately 15 to 30 households; and

WHEREAS, Sections 26-464(h) and 26-465(h) of the City Code authorize the electric utility to establish programs to provide financial or technical assistance and incentives to customers in order to reduce energy consumption or system peak demands, consistent with Council policies and program objectives approved by the Utilities Executive Director; and

WHEREAS, the Utilities Executive Director has approved program objectives for a City community solar program targeting reduced energy consumption and peak demands by granting income qualified residential electric service customers beneficial use of energy generated by the Loomis Project, entitled the "Solar Affordability Program"; and

WHEREAS, the Solar Affordability Program delivers income qualified customers bill credits linked to energy generation by the Loomis Project, while simultaneously improving efficiency and conservation behavior by such customers through a required year-long series of conservation education and efficiency improvements tailored to each household, reducing overall electric system consumption and peak demands; and

WHEREAS, Utility staff recommends the rates, fees and charges applicable to community solar projects under Chapter 26, Article VI of the City Code be extended to customers in the Solar Affordability Program, as well as other City program-managed community solar projects and qualifying subscriber-owned community solar projects, like the Riverside Project; and

WHEREAS, staff has identified portions of Chapter 26, of the City Code which require amendment to accommodate use of net metering rates for the Solar Affordability Program and other program-managed community solar projects; and

WHEREAS, extending net metering service rates to income qualified customers through the Solar Affordability Program, and other dedicated program-managed community solar projects, serves a utility purpose of applying new renewable electricity generation to reduce wholesale power purchase needs and increasing ratepayer participation in energy efficiency and conservation actions; and

WHEREAS, the proposed net metering service rates for dedicated program-managed community solar project customers, including the Solar Affordability Program, are reasonable, fair and non-discriminatory because they balance receipt by individual ratepayers of the energy values produced by a specific solar array with the system-wide benefits realized across the rate class through the addition of new solar generation; and

WHEREAS, the Energy Board considered the proposed electric rates, fees and charges, and language additions for community solar projects at its February 9, 2017 regular meeting and provided its recommendation of approval to City Council; and

WHEREAS, the City Manager and staff have recommended to City Council the following electric rate adjustments and City Code rate language additions applicable to community solar projects; and

WHEREAS, based on the foregoing, the City Council finds offering net metering service rates to customers participating in dedicated program-managed community solar projects serves a utility purpose beneficial to all residential electric service customers and such rates are reasonable, fair and non-discriminatory in relation to benefits realized across the electric distribution system; and

WHEREAS, accordingly, it is the desire of the City Council to amend Chapter 26 of the City Code to revise the electric rates, fees and charges to accommodate such rates.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the definitions of "*Community solar project*," "*Net metering service*" and "*Qualifying facility*" contained in Section 26-391 of the Code of the City of Fort Collins are hereby amended to read as follows:

Community solar project shall mean a photovoltaic electric generating installation that meets all of the following criteria:

- (i) is a qualifying facility;
- (ii) uses a qualifying renewable technology;
- (iii) is operated by Fort Collins Utilities or Platte River Power Authority directly or by any party pursuant to an "Interconnection Agreement" and/or "Power Purchase Agreement" with Fort Collins Utilities;
- (iv) is located within the Platte River Power Authority electric service territory; and
- (v) all electric power it produces is consumed within such territory.

Net metering service shall mean that service available to a customer operating or with beneficial use of a qualifying facility using a qualifying renewable technology that is interconnected to the electric utility so that any electric energy generated by the qualifying facility in excess of that used by the qualifying facility is delivered to the electric utility system and used to offset metered energy received by the customer during the billing period.

Qualifying facility shall mean an electric-generating facility operated in parallel with the City of Fort Collins or Platte River Power Authority electric distribution system that has been inspected for compliance with the applicable Interconnection Standards for Generating Facilities, has been issued a "Permit to Operate" by the City or Platte River Power Authority and is operated by Platte River Power Authority or Fort Collins directly or under a valid "Interconnection Agreement" or "Parallel Generation Agreement" executed on behalf of the City of Fort Collins by the Utilities Executive Director.

Section 3. That Section 26-391 of the Code of the City of Fort Collins is hereby further amended to add the following new definitions which read in their entirety as follows:

Dedicated program-managed facility shall mean a community solar project owned and operated by Fort Collins Utilities or Platte River Power Authority, offering Fort Collins

Utilities electric service customers credit for the value of project-generated electricity, subject to customer compliance with all requirements of an associated City program, including applicable income qualification requirements, approved by the Utilities Executive Director under Sections 26-464(h) or 26-465(h).

Subscriber-owned facility" shall mean a community solar project owned and/or operated by Fort Collins Utilities, Platte River Power Authority or a third-party pursuant to an "Interconnection Agreement" and/or "Power Purchase Agreement" with Fort Collins Utilities, offering Fort Collins Utilities electric service customers shared or beneficial ownership of project-generated electricity on a subscription basis.

Section 4. That Section 26-464(r) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-464. Residential service, schedule R.

...

(r) Net metering-community solar projects.

(1) Net metering service rates are also available to a residential customer with physical or beneficial ownership of a subscriber-owned facility or dedicated program-managed facility provided:

a. the customer:

1. maintains continuous compliance with all applicable dedicated program-managed facility program conditions and objectives adopted by the Utilities Executive Director under Subsection (h) of this Section; or

2. holds evidence of a subscription or other agreement entitling the customer to ownership or beneficial use of electricity generated by an associated subscriber-owned facility; and

b. the generating capacity of the customer's interest in a subscriber-owned facility is sized to supply no more than one hundred twenty (120) percent of the customer's average annual electricity consumption at the customer's point of service, including all contiguous property owned or leased by the customer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way or utility rights-of-way.

(2) The community solar project-generator and electric service arrangements shall be subject to the requirements and conditions described in the City of Fort

Collins Utility Services Interconnection Standards for Generating Facilities Connected to the Fort Collins Distribution System.

(3) Both the customer's consumption of energy from Fort Collins Utilities and interest in the production of energy that flows into Fort Collins Utilities' distribution system shall be measured on a monthly basis. The energy consumed from Fort Collins Utilities by the customer shall be billed at the applicable seasonal tiered rate as outlined in Subsections (c) and (d) of this Section. The method used to measure energy produced and issue credits under this Section shall be the same for subscriber-owned facilities and dedicated program-managed facilities. The energy produced by the customer's portion of the qualifying facility shall be credited to the customer monthly as follows:

1. Distribution facilities credit	Per kWh	\$0.0128
2. Energy and demand credit	Per kWh	\$0.0634

Section 5. That Section 26-465 (r) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-465. Residential demand service, schedule RD.

...

(r) Net metering-community solar projects.

(1) Net metering service rates are also available to a residential customer with physical or beneficial ownership of a subscriber-owned facility or dedicated program-managed facility provided:

a. the customer:

1. maintains continuous compliance with all applicable dedicated program-managed facility program conditions and objectives adopted by the Utilities Executive Director under Subsection (h) of this Section; or

2. holds evidence of a subscription or other agreement entitling the customer to ownership or beneficial use of electricity generated by an associated subscriber-owned facility; and

b. the generating capacity of the customer's interest in a subscriber-owned facility is sized to supply no more than one hundred twenty (120) percent of the customer's average annual electricity consumption at the customer's point of service, including all contiguous property owned or leased by the customer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way or utility rights-of-way.

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1. Distribution facilities credit	Per kWh	\$0.0128
2. Energy and demand credit	Per kWh	\$0.0634

Introduced, considered favorably on first reading, and ordered published this 21st day of February, A.D. 2017, and to be presented for final passage on the 28th day of March, A.D. 2017.

ATTEST:

W Winkelmann
City Clerk



[Signature]
Mayor

Passed and adopted on final reading on the 28th day of March, A.D. 2017.

ATTEST:

W Winkelmann
City Clerk



[Signature]
Mayor