

AGENDA ITEM SUMMARY

March 7, 2017

City Council

STAFF

John Phelan, Energy Services Manager

SUBJECT

Second Reading of Ordinance No. 035, 2017, 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.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on February 21, 2017, expands the definition of “community solar projects” in Chapter 26 of the City Code to include both “subscriber-based” and “program-managed” community solar projects, and to establish a net metering rate applicable to the Solar Affordability Program (SAP), a new program-managed community solar project. In addition, this item provides background on the income qualified SAP which will provide participating Fort Collins electric customers with direct bill credits for a one year period. During that time, SAP households will participate in efficiency and conservation installations customized to each household, drawing on resources from Utility Services, Larimer County and the State of Colorado. Program households will also participate in energy saving education and complete efficiency upgrades. Combined, the efficiency and education opportunities will enable program households to permanently reduce their electric expenses and usage. Over the life of the SAP, hundreds of qualifying households will benefit from a reduced energy burden as individual participants in the program, and the benefits of additional renewable energy generation will be realized across the residential rate class. The proposed credit rate for SAP and other dedicated program-managed community solar project customers is the same rate as that currently available to customers of subscriber-owned community solar projects, like the Riverside Community Solar project.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

During discussion on First Reading, Councilmember Stephens noted that this project only serves a handful of families, and that she would like to reach more families and find other ways to make a difference for those paying a lot for electricity bills.

The Solar Affordability Program (SAP) will serve a different set of 20 to 30 Fort Collins electric customers *annually*. Over the life of the solar system hundreds of qualifying households should benefit from a reduced energy burden as participants in this income-qualified program combining efficiency, conservation and solar benefits, i.e., approximately 100-150 different households over five years, and 200-300 households over 10 years. An essential component of the SAP is to demonstrate that the customers participating are able to consistently reduce their energy use and energy cost burden for an extended period of time. Upon demonstration of this impact, Utilities can look towards expanding and replicating the models for engaging low income customers with both solar and efficiency.

Fort Collins Utilities has several other projects in development to continue expansion of services which can reduce energy burdens for income qualified customers:

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- Supporting the installation of over 40 kilowatts of solar in 2017 for CARE Housing and Habitat for Humanity.
- Fort Collins Utilities and Platte River Power Authority are formalizing an agreement with Energy Outreach Colorado, a non-profit energy efficiency agency, to provide additional income qualified services for multi-family, single family and non-profit buildings.

ATTACHMENTS

1. First Reading Agenda Item Summary, February 21, 2017 (w/o attachments) (PDF)
2. Utilities Affordability Portfolio (PDF)
3. Ordinance No. 035, 2017 (PDF)

AGENDA ITEM SUMMARY

February 21, 2017

City Council

STAFF

John Phelan, Energy Services Manager

SUBJECT

First Reading of Ordinance No. 035, 2017, 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.

EXECUTIVE SUMMARY

The purpose of this item is to expand the definition of “community solar projects” in Chapter 26 of the City Code to include both “subscriber-based” and “program-managed” community solar projects, and to establish a net metering rate applicable to the Solar Affordability Program (SAP), a new program-managed community solar project. The SAP will rely on energy generated by the 64 kilowatt photovoltaic system installed at 518 N. Loomis Street (the “Loomis Project”) to serve income qualified customers and be administered according to program objectives established by the Utilities Executive Director pursuant to City Code Sections 26-464(h) and 26-465(h).

In addition, this item provides background on the income qualified SAP which will provide participating Fort Collins electric customers with direct bill credits for a one year period. During that time, SAP households will participate in efficiency and conservation installations customized to each household, drawing on resources from Utility Services, Larimer County and the State of Colorado. Program households will also participate in energy saving education and complete efficiency upgrades. Combined, the efficiency and education opportunities will enable program households to permanently reduce their electric expenses and usage. Over the life of the SAP, hundreds of qualifying households will benefit from a reduced energy burden as individual participants in the program, and the benefits of additional renewable energy generation will be realized across the residential rate class. The proposed credit rate for SAP and other dedicated program-managed community solar project customers is the same rate as that currently available to customers of subscriber-owned community solar projects, like the Riverside Community Solar project.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Solar Affordability Program (SAP) is designed to draw on a City managed community solar array to annually provide 20 to 30 income and heating payment assistance qualified electric utility customers with direct bill reduction for one year. In addition to a financial benefit, SAP households will receive customized efficiency and conservation installations from a range of regional providers. Program households will also participate in energy saving education and complete low or no cost efficiency upgrades. Combined, the efficiency and education opportunities will enable these households to permanently reduce their electric expenses and usage, and over the life of the solar system benefit hundreds of qualifying homes through reduced energy burden and improved conservation behaviors across the City's distribution system.

Solar Project Details

The SAP leverages the production of the community solar array located on the City warehouse at 518 N Loomis Ave. (the "Loomis Project"). The Loomis Project was jointly funded through Utility Services (Budget offer 59.2 for 2015-2016), the Colorado Energy Office via a demonstration program managed by GRID Alternatives, and in-kind contributions from GRID Alternatives and community volunteers. The system, designed to support an income-qualified program, deploys approximately 260 solar modules for an estimated total capacity of 64 kilowatts. Staff developed the SAP to manage the distribution of solar energy benefits from the Loomis Project consistent with financial and incentive program objectives approved by the Utilities Executive Director under City Code Sections 26-464(h) and 26-465(h).

Project highlights:

- Colorado's first rooftop community solar project dedicated to serving income-qualified residents
- First Colorado municipal utility to partner with GRID Alternatives to adopt an income-qualified community solar model.
- GRID Alternatives hosted a "Solarthon" event October 21-23, 2016. On Friday the 21st, the Governor, the Director of the Colorado Energy Office, the Mayor, and the Utilities Executive Director spoke to an estimated 170 visitors and volunteers.
- Volunteers assembled a substantial portion of the array over the three days of the event.

Program Justification

The SAP delivers a solar financial benefit to customers, while being simultaneously designed to set income-qualified customers interested in improving efficiency and conservation on an intentional and accessible path to reduced energy use. During customers' year in the program, they will be engaged in conservation education and efficiency opportunities practical for their respective households. The SAP is strategically aligned with the objectives of the Energy Policy, Road to 2020 Plan and the Affordable Housing Plan.

Proposed Code Amendments

City Code Sections 26-391, 26-464 and 26-465 were amended in 2014 to apply electric service rates to residential customers participating in the subscriber-owned community solar array located at 500 Riverside Avenue (the "Riverside Project"). The Loomis Project provides customers with a different interest in the solar energy generated by the facility than the interest held by customers at the Riverside Project.

In order to distinguish the "subscriber-owned" Riverside Project model from the "program-managed" Loomis Project model, the *community solar project* definition needs to be expanded and new definitions for "dedicated program-managed facility" and "subscriber-owned facility" are necessary. In addition, the proposed Code amendments refer to the authority of the Utilities Executive Director to adopt financial and incentive program objectives to further City goals, and to clarify the uniform application of community solar project service rates to "dedicated program-managed" and "subscriber-owned" facilities.

Satisfying a Utility Purpose under City Charter/Code

The SAP is a unique solar program that addresses regulatory and community-interest requirements in several ways:

- The City utilized an approved Purchasing Code sole source exception process to contract with GRID Alternatives-- the Colorado Energy Office's preferred renewable energy system installer. As such, the project was able to take advantage of external funding from the Colorado Energy Office, via GRID Alternatives, conditioned on use of the funding to serve income-qualified customers.
- The City owns the Loomis Project solar photovoltaic system, which is connected to the electric distribution grid as a generating asset for all ratepayers.
- Leveraging the renewable energy generated through the Loomis Project and SAP allows a greater benefit

for the City's distribution system than would be possible by restricting beneficial use of the energy to a "subscriber" group alone. The greater aggregate outcome is accomplished by improving the physical efficiency of SAP participants' homes while they are in the program, and adjusting their conservation and consumption behaviors beyond the time customers are in the program.

- The proposed income qualified SAP harmonizes competing regulatory and community-interest requirements that

(1) the Loomis Project be operated to benefit income-qualified customers, under requirements tied to the funding sources; *and*

(2) allocating benefits derived from Utility Service investments to a subset of ratepayers must serve a broader "utility purpose" under the City Charter and Code.

- To address item (1)

Utilities has developed a customer eligibility process in collaboration with Larimer County's administration of the Low-Income Energy Assistance Program (LEAP). The LEAP process will provide an annual list of customers who are both income-qualified and are eligible to receive heating bill financial assistance. These customers of electric heating premises served by Utility Services, will be invited to participate in the SAP. Applying customers who are accepted into SAP will receive a credit on their electric bill tied to the Loomis Project energy output. This process has been reviewed and accepted by the Colorado Energy Office and GRID Alternatives.

- To address item (2)

By applying for and being selected for the SAP, customers commit to completing energy efficiency upgrades and education. The efficiency process will engage the occupant and building owner in programs and services available through Utility Services and other agency energy education classes, Larimer County Conservation Corp Energy and Water Program, Colorado Weatherization Program (administered by Long's Peak Energy Conservation), Efficiency Works Home, Consumer Products rebates and Energy Outreach Colorado efficiency program (pending agreement). Over the course of the SAP, Utility Services will support each selected household to navigate an optimal path through these offerings. Each household's custom efficiency plan will include quarterly milestones, and continued receipt of the solar credit will be conditioned on continuous compliance with the program and completion of milestones.

SAP customers structured participation in resource conservation education and physical upgrades fulfills a recognized Utility Services purpose to reduce electricity use and peak electrical demands.

Utility Services Budget Offer Funding

In addition to Colorado Energy Office funding, the Loomis Project was built through funds in the Utility Service budget. The following language describes the 2015/2016 budget offer adopted by Council in November 2014 which provided the Utility Services portion of the project funding:

- Establishing a new program offering to install solar PV systems for income-qualified families at no cost (\$125,000 annually). These local families can most benefit from the monthly utility cost savings, while at the same time giving job trainees and community volunteers hands-on installation experience. The model is solar program analogous to how Habitat for Humanity provides income-qualified homes. The model has been demonstrated in other states and includes collaborative funding to cover the majority of project costs with the help of local jurisdictions, utility companies, private donors, foundation grants and corporate sponsors.

Program Management Plan

This section describes the primary steps to move the SAP forward. The program design processes have been mapped out in the following areas:

- Eligibility, selection of customers and amount of benefit
 - Program Eligibility: LEAP will be used to determine eligibility for both income and heating financial assistance. The SAP will be aligned with the LEAP program cycle which ends April 30th. At the end of the LEAP cycle, Utilities will manage a process to identify and recruit participating households for the following SAP program cycle.
 - Utilities customers who received LEAP will be notified and given the opportunity to apply. The application will be a simple form where the customer indicates their interest in the program and participation in the education, efficiency and conservation requirements. Agreeing to participate in the education and direct installation engagement program is a prerequisite for eligibility. If Utilities receives more applications than program spots are available, staff will prioritize the applications based upon all available information or conduct a lottery to choose participants among the applicants.
 - Number of households served and the amount of benefit: The Colorado Energy Office has identified 4% of income as an appropriate threshold for annual energy burden. The bill credit will vary each month based on the electricity output of the solar array and is expected to average \$25 per month. The objective is to bring the energy burden for a typical all electric household down to near 4%. At this level, we expect the solar array to benefit approximately 20 households annually.
- Administration of solar array production and benefits
 - The solar array output is metered independently of the building on which it is located. The monthly output of the system will be converted to a dollar value based on the credit rate noted in this ordinance. Utilities billing will apply the credit in equal portions to the list of participating customers on a monthly basis.
 - The solar system is scheduled to be energized by the end of February, while the Solar Affordability Program will launch in May. The energy produced during this interim period will be tracked and applied to the SAP in the first year.
 - The proposed virtual net metering credit is the same as that for the Riverside Community Solar Project, comprised of the combination of the Summer Tier 1 rate (currently \$0.0634 per kWh) and one half the distribution facilities rate (currently \$0.0128 kWh).
- Structured efficiency and conservation actions
 - The SAP includes quarterly milestones for customers to complete to remain eligible for the solar bill credits. These milestones include educational opportunities, no-cost efficiency programs (such as the Larimer County Conservation Corp Energy and Water Program and the Weatherization Assistance Program), and Utility Services efficiency programs.

Reporting on Energy Benefits and Savings

An essential component of the SAP is to demonstrate participating customers are able to consistently reduce their energy use and energy cost burden for an extended period of time. Staff expects:

- The eligibility requirement to engage in structured education, efficiency and conservation actions will result in improvements and behavioral changes to permanently reduce use, and
- The solar bill credit will facilitate increased participation in other regional efficiency programs.

The SAP administration process is designed to quantitatively address these questions through deep engagement with participating households. Once the first 12 months of participant data is compiled, a quantitative and qualitative evaluation of overall program success will be conducted to understand the following, with the results provided to City Council:

1. What is working and should continue;
2. What could improve;
3. What is not working and should stop.

CITY FINANCIAL IMPACTS

The financial impact of this Ordinance is related to the differential between the value of avoided wholesale electricity purchases from this Utilities owned asset and the value of the credit applied to customer's bills.

Given current wholesale rates and the values of electricity at the time of this Ordinance, this differential is expected to be less than \$4,000 on an annual basis.

BOARD / COMMISSION RECOMMENDATION

At its February 9, 2017 meeting, the Energy Board recommended adoption of the Ordinance by Council.

PUBLIC OUTREACH

Utilities coordinated with the City Attorney's and Clerk's offices to complete the normal notification processes for out-of-City customers regarding revisions to the rates in City Code.

ATTACHMENTS

1. Solarthon Summary City Council Memo, October 2016 (PDF)
2. Grid Alternatives Sole Source Memo, July 2016 (PDF)
3. Energy Board Minutes, February 9, 2017 (draft) (PDF)

COPY

UTILITIES AFFORDABILITY PORTFOLIO

Fort Collins Utilities collaborates at state and local levels to offer the most comprehensive portfolio of affordability programs to customers. Through direct and indirect partnerships, Utilities maximizes funding, outreach and participation for available assistance programs.

PAYMENT ASSISTANCE FUND

Households with a current past due notice may receive financial assistance once per 12-month cycle.

fcgov.com/paf

1-800-HEAT-HELP (1-866-432-8435)

MEDICAL ASSISTANCE PROGRAM

Qualifying households requiring medically necessary electrical equipment or air conditioning may be eligible to receive an electric utility bill discount.

fcgov.com/medical-assistance

970-212-2900, V/TDD 711

UTILITIES REBATE

A utilities rebate is available to people who meet the income requirements that are either aged 65 years or older or who are disabled.

fcgov.com/rebate

970-416-2304, V/TDD 711

SOLAR AFFORDABILITY PROGRAM

Qualifying customers may be entered into a lottery to receive a varying solar electric bill credit for 12 months.

fcgov.com/solar-affordability

WATER AND ENERGY PROGRAM

Free home efficiency assessments are available to help reduce utility costs.

larimerworkforce.org

970-498-6600

LOW-INCOME ENERGY ASSISTANCE PROGRAM (LEAP)

LEAP helps with wintertime heating costs to income qualified households between November 1 and April 30.

larimer.org

970-498-7730

WEATHERIZATION PROGRAM

Free weatherization improvements are available to qualifying households.

bouldercounty.org

720-864-6401

LARIMER HOME IMPROVEMENT PROGRAM (LHIP)

LHIP offers low- to no-interest rate loans to income qualified families to repair or improve their homes.

lovelandhousing.org

970-667-3232

CRISIS INTERVENTION PROGRAM

Emergency home furnace repair is available for qualifying Coloradans.

energyoutreach.org

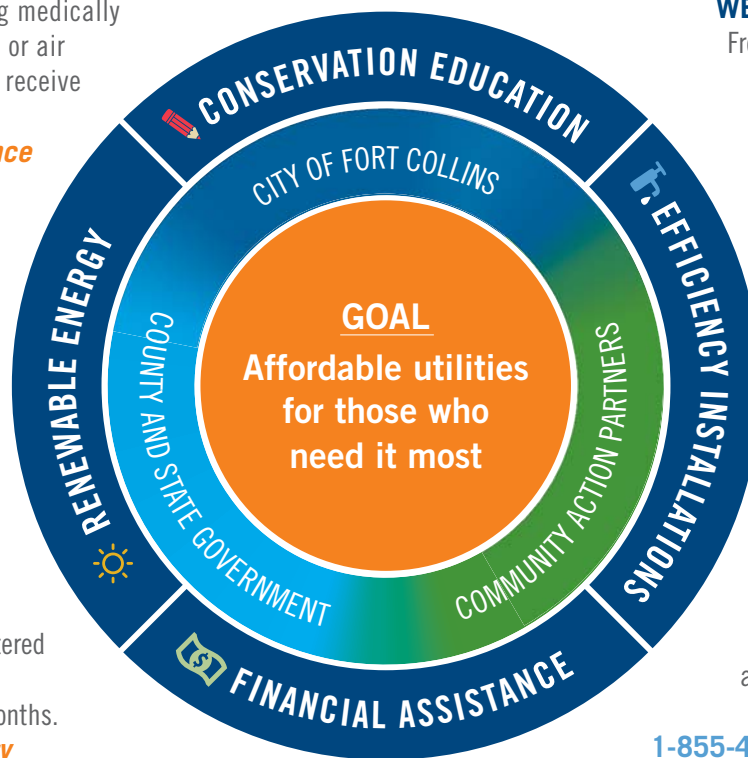
1-855-4-MY-HEAT (1-855-469-4328)

UNITED WAY 2-1-1

2-1-1 is an information and referral service that provides a comprehensive list of resources and community programs.

uwayc.org/get-help

970-407-7066



FOR MORE INFORMATION

- fcgov.com/utilities-affordability
- utilities@fcgov.com
- 970-212-2900, V/TDD 711

*Aids and services are available for persons with disabilities.
Esta información puede ser traducida, sin costo para usted.*

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.

(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

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 7th day of March, A.D. 2017.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 7th day of March, A.D. 2017.

Mayor

ATTEST:

City Clerk