

STATE OF TEXAS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS AMENDING THE SEGUIN CODE OF ORDINANCES CHAPTER 102, UTILITIES, ARTICLE II, ELECTRICITY, BY ADDING DIVISION III, DISTRIBUTED GENERATION, ESTABLISHING THE REQUIREMENTS FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION FACILITIES WITHIN THE CITY OF SEGUIN ELECTRIC SYSTEM; PROHIBITING INTERCONNECTION AND/OR PARALLEL OPERATION OF DISTRIBUTED GENERATION WITHOUT COMPLIANCE WITH THIS ORDINANCE; ESTABLISHING PENALTIES FOR FAILURE TO COMPLY; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING APPLICABLE FEES AND RATES; AUTHORIZING CITY STAFF TO PREPARE THIS ORDINANCE FOR SUBMISSION AS A SUPPLEMENT TO THE CODE OF ORDINANCES; AND DECLARING AN EFFECTIVE DATE AFTER PUBLICATION OF THIS ORDINANCE

WHEREAS, The City of Seguin operates an electric distribution utility for the benefit of the citizens and customers of the utility; and

WHEREAS, The City of Seguin wishes to promote the use of renewable sources of energy; and

WHEREAS, The Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 31.005 (Vernon 1998 & Supp. 2005) (PURA) authorizes and encourages electric utilities to establish customer option programs that encourage the reduction of air contaminant emissions including distributed energy generation technology; and

WHEREAS, The Public Utility Regulatory Act, TEX. UTIL. CODE ANN § 39.101 (b)(3) (Vernon 1998 & Supp. 2005) (PURA) entitles all Texas electric customers to access to on-site distributed generation; and

WHEREAS, The Public Utility Regulatory Act, TEX. UTIL. CODE ANN § 39.916 (Vernon 1998 & Supp. 2005) (PURA) authorizes the interconnection and parallel operation of Distributed Renewable Generation with electric utilities, specifies requirements for same, and requires the Public Utility Commission of Texas to promulgate rules and regulations for same; and

WHEREAS, The Public Utility Commission of Texas has promulgated rules and regulations regarding the interconnection and parallel operation of Distributed Generation facilities with electric utilities as P.U.C. SUBST. R. 25.211, 25.212 and 25.217; and

WHEREAS, Unauthorized, inadequately protected, or substandard Distributed Generation equipment that is interconnected or operated in parallel to the electric distribution system can pose a safety hazard to Seguin Electric Department personnel and to other persons; and

WHEREAS, Unauthorized, inadequately protected, or substandard Distributed Generation equipment that is interconnected or operated in parallel with the electric distribution system can interfere with the quality and reliability of service to other customers; and

WHEREAS, The City Council, after careful consideration of the matter, hereby finds and declares that allowing the interconnection and parallel operation of Distributed Generation facilities within the City of Seguin electric system under carefully controlled and managed conditions to provide for the safety and non-interference

with the quality and reliability of service to other customers is in the best interests of the general welfare of the City and its residents; and

WHEREAS, The City Council, after careful consideration of the matter, hereby finds and declares that the requirements and conditions put forth herein for the interconnection and parallel operation of Distributed Generation facilities within the City of Seguin electric system are necessary to protect the health and safety of the City, its employees and residents, are necessary to protect the quality and reliability of the electric distribution system, are equitable, and do not impose an unfair burden on the owners and users of Distributed Generation facilities.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS:

SECTION ONE. The City of Seguin Code of Ordinances, Chapter 102, Utilities, Article II, Electricity is amended by the addition and creation of a new Division III, Distributed Generation, to read as follows:
Division III. DISTRIBUTED GENERATION

Section 102.60 Distributed Generation Permitted - Authority

a. This Ordinance is intended to provide for the orderly, safe and effective interconnection and parallel operation of Distributed Generation facilities within the City of Seguin electric system by customers of the City of Seguin Electric Utility.

b. The City is authorized to enact this Ordinance by the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 31.005 (Vernon 1998 & Supp. 2005) (PURA) and successors, which authorizes and encourages electric utilities to establish customer option programs that encourage the reduction of air contaminant emissions including distributed energy generation technology. Also, the Public Utility Regulatory Act, TEX. UTIL. CODE ANN § 39.101 (b)(3) (Vernon 1998 & Supp. 2005) (PURA) entitles all Texas electric customers to access to on-site distributed generation. Finally, the Texas Public Utility Regulatory Act, TEX. UTIL. CODE ANN § 39.916 (Vernon 1998 & Supp. 2005) (PURA) and its successors authorizes electric utilities to establish requirements for and allow the interconnection and parallel operation of Distributed Renewable Generation, and requires the Public Utility Commission of Texas to promulgate rules and regulations for the implementation of interconnection and parallel operation of Distributed Renewable Generation.

Section 102.61. Technical Manual Adopted.

All distributed generation systems operating in the City of Seguin shall comply with the City of Seguin Electric Department Technical Manual.

Section 102.62. Offense and Penalties

a. Any person violating this Division by interconnecting distributed generation to the Seguin electric system without a complete Application and executed Agreement, or operating a distributed generation system that does not meet the specifications set forth in this Division commits a misdemeanor and upon conviction may be subject to the penalty provided in Section 1-14 of the Seguin City Code of Ordinances.

b. In addition to any potential criminal penalties any person who violates of this Ordinance can be enjoined by a suit filed in the name of the City of Seguin in court of competent jurisdiction.

SECTION TWO. The City Council of Seguin Texas adopts, as fully set forth herein: the City of Seguin Electric Department's Technical Manual attached hereto as Exhibit "A."

SECTION THREE. Application fee, Construction Costs, and Base Purchase Rate

Appendix C, Section 102 Utilities, Article II, Electricity, to the Seguin Code of Ordinance is amended as follows:

- | | | |
|-----|--|---|
| (i) | Distributed Generation | \$102.60 |
| (1) | Application fee | \$25.00 |
| (2) | Construction costs | Labor and material shall be charged at the actual costs to the City |
| (3) | Base Rate for excess Generated Electricity shall be the Avoided Cost of Power Supply Rate. | |

SECTION FOUR. City staff is authorized to prepare this Ordinance for submission as a supplement to the Seguin Code of Ordinances.

SECTION FIVE. If any sentence, section, subsection, clause, phrase, part or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof, other than the part declared to be invalid.

SECTION SIX. The provisions of this Ordinance shall be liberally construed to effectively carry out its purposes, which are hereby found and declared to be in the furtherance of the public health, safety, and welfare. Any member of the City Council, City official, or employee charged with enforcement of this Ordinance, acting for the City in the discharge of his or her duties, shall not thereby render himself or herself personally liable; and is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of said duties.

SECTION SEVEN. This Ordinance shall take effect 10 days after its date of publication.

PASSED and APPROVED on first reading on the 21st day of May 2013

PASSED, APPROVED and ADOPTED on second reading on the 4th day of June 2013.


DON KEIL, Mayor

Attest:


Thalia Stautzenberger
City Secretary