

ORDINANCE NO. 108, 2014
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 AND PROVIDE RATES FOR CUSTOMERS ENROLLED
IN THE FORT COLLINS COMMUNITY SOLAR PROJECT

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, on May 20, 2014, City Council adopted Ordinance No. 067, 2014, establishing a bill credit rate for net-metered operations and moving from annual settlement of excess power generation to a monthly settlement for participating net-metered customers of the Electric Utility; and

WHEREAS, the bill credit rate established for net-metered customers factors in savings the Electric Utilities realizes by not needing to transport across its electric distribution network the power produced and consumed at the site of a roof-top solar energy facility; and

WHEREAS, under the Fort Collins Community Solar Project, the City engaged a third party to construct and operate a solar farm within the City to allow Electric Utility customers who cannot otherwise participate in solar energy production to contribute to the City's renewable energy portfolio by purchasing an interest in, i.e. subscribing to, a community solar farm facility; and

WHEREAS, though the Fort Collins Community Solar Project allows more Electric Utility customers to participate in solar energy production, distribution of the energy produced by the solar farm does not achieve the same distribution system efficiencies as that of on-site net-metering; and

WHEREAS, energy produced at the solar farm will still rely on City electric distribution infrastructure for delivery to customers and thereby create a similar burden on the distribution infrastructure as that of standard energy distribution; and

WHEREAS, in light of this operational distinction between the two types of solar energy facilities, the effective provision of electric utility service and application of the rules and regulations affecting administration of net-metering service credits would be expedited by amending the City Code to identify a specific bill credit rate for customers who subscribe to a sanctioned solar farm, distinct from the standard net-metered bill credit rate; and

WHEREAS, the Electric Utility proposes to establish a bill credit rate for customers participating in the solar farm that balances the tangible and intangible benefits of distributed generation to the distribution infrastructure through that type of facility, totaling \$0.0714 per kWh of energy generated; and

WHEREAS, the Electric Utility propose to establish a bill credit rate for customers using the “General service, schedule GS” rate, i.e. small individual commercial and industrial customers, participating in the solar farm totaling \$0.0497 per kWh of energy generated; and

WHEREAS, the Energy Board considered the proposed electric rates, fees, and charges for customers enrolled in the Fort Collins Community Solar Project on July 10, 2014, and unanimously recommended approval of the rate changes and additions; and

WHEREAS, Section 26-465(q)(5) of the City Code, as amended in Section 2 of Ordinance No. 067, 2014, contained an incorrect internal Code reference, which reference is also corrected in the proposed revised rates, fees and charges; and

WHEREAS, the City Manager and staff have recommended to the City Council the following electric rate adjustments for all billings issued with meter readings on or after October 1, 2014; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise the electric rates, fees and charges with regard to the compensation rate for customers purchasing interests in the Fort Collins Community Solar Project and any other community solar projects meeting applicable requirements.

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

Section 1. That Section 26-391 of the Code of the City of Fort Collins is hereby amended by the addition of a new definition for “Community solar project” to read as follows:

Sec. 26-391. Definitions.

...
Community solar project shall mean a photovoltaic electric generating installation that is a qualifying facility using a qualifying renewable technology that offers shared ownership by Fort Collins Utilities electric service customers and is operated by an entity that has executed an “Interconnection Agreement” and/or “Power Purchase Agreement” with Fort Collins Utilities. The physical location of any such facility shall be within the electric service territory of Fort Collins Utilities and any electric power produced shall be consumed within the electric service territory of Fort Collins Utilities. All customers that participate under the “community solar project” rate provisions must hold evidence of ownership to, a subscription as evidence of beneficial use of, or other entitlement to the electric generating capacity of the facility.
...

Section 2. That Section 26-464 of the Code of the City of Fort Collins is hereby amended by the adoption of a new Subsection (r) to read in its entirety as follows:

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

...

(r) *Net metering-community solar projects.*

(1) Net metering service is available to a customer who holds an exclusive interest in a portion of the electric energy generated by a community solar project when the generating capacity of the customer's interest 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 energy produced by the customer's portion of the qualifying facility shall be credited to the customer as follows:

1. Distribution facilities charge, per kilowatt-hour: one and thirty-one one-hundredths cents (\$0.0131).
2. The energy and demand credit, per kilowatt-hour: five and eighty-three one-hundredths cents (\$0.0583).

Section 3. That Section 26-465(q)(5) of the Code of the City of Fort Collins is hereby amended to read as follows:

(q) *Net Metering.*

...

(5) The customer-generator's consumption of energy from the utility and production of energy that flows into the utility's distribution system shall be measured on a monthly basis. The energy consumed from the utility by the customer-generator shall be billed at the applicable seasonal tiered rate as outlined in Subsection (c) of this Section. The energy produced by the customer-generator shall be credited to the customer as follows:

1. Distribution facilities charge, per kilowatt-hour: two and sixty-two one-hundredths cents (\$0.0262).

2. The energy and demand credit, per kilowatt-hour: five and eighty-three one-hundredths cents (\$0.0583).

Section 4. That Section 26-465 of the Code of the City of Fort Collins is hereby amended by the addition of a new Subsection (r) which reads in its entirety as follows and the original Subsection (r) is hereby relettered as Subsection (s):

(r) *Net metering-community solar projects.*

(1) Net metering service is available to a customer who holds an exclusive interest in a portion of the electric energy generated by a community solar project when the generating capacity of the customer's interest 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 Subsection (c) of this Section. The energy produced by the customer's portion of the qualifying facility shall be credited to the customer as follows:

1. Distribution facilities charge, per kilowatt-hour: one and thirty-one one-hundredths cents (\$0.0131).
2. The energy and demand credit, per kilowatt-hour: five and eighty-three one-hundredths cents (\$0.0583).

(s) *Loans.* Special services in the form of loans for electric service-related improvements, conservation measures or efficiency enhancements shall be documented on forms determined by the Utilities Executive Director and the Financial Officer. Any such loans shall be made consistent with the applicable program requirements, credit and risk standards and interest rate provisions as set forth in this Article and in the administrative rules and regulations adopted by the Financial Officer pursuant to § 26-720. The interest rate for such loans shall be no less than the most current U.S. prime

lending rate at the time of loan origination plus two (2) percent and no more than the most current U.S. prime lending rate at the time of loan origination plus five (5) percent, per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer. Obligations for repayment of any such loans are subject to the provisions of Article XII of this Chapter.

Section 5. That Section 26-466 of the Code of the City of Fort Collins is hereby amended by the adoption of a new Subsection (r) to read as follows:

Sec. 26-466. General service, schedule GS.

...
(r) *Net metering-community solar projects.*

(1) Net metering service is available to a customer who holds an exclusive interest in a portion of the electric energy generated by a community solar project when the generating capacity of the customer's interest 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 Subsection (c) of this Section. The energy produced by the customer's portion of the qualifying facility shall be credited to the customer as follows:

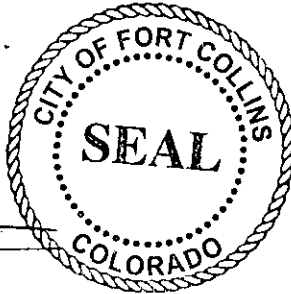
1. Distribution facilities charge, per kilowatt-hour: ninety-four one-thousandths cents (\$0.0094).
2. The energy and demand credit, per kilowatt-hour: four and three one-hundredths cents (\$0.0403).

Section 6. That the amendments herein are effective and shall go into effect for all bills issued with meter readings on or after October 1, 2014.

Introduced, considered favorably on first reading, and ordered published this 19th day of August, A.D. 2014; and to be presented for final passage on the 2nd day of September, A.D. 2014.

ATTEST:

Wanda Nelson
City Clerk

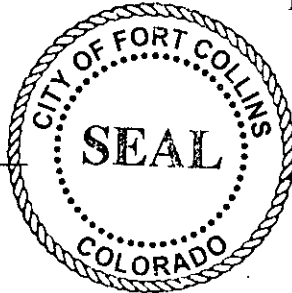


Karen Weiskens
Mayor

Passed and adopted on final reading on the 2nd day of September, A.D. 2014.

ATTEST:

Rita R. Knoll
City Clerk / Chief Deputy



Karen Weiskens
Mayor