ORDINANCE NO. 067, 2014
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING CERTAIN AMENDMENTS TO CHAPTER 26
OF THE CODE OF THE CITY OF FORT COLLINS
PERTAINING TO ELECTRIC RATES, FEES AND CHARGES ASSOCIATED
WITH THE PROVISION OF NET-METERED SERVICE

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 February 2, 2010, City Council approved Ordinance No. 003, 2010, amending Chapter 26, Article VI of the City Code to allow for the provision of net-metered electric service, and

WHEREAS, on September 6, 2011, City Council approved Ordinance No. 079, 2011, amending Chapter 26, Article VI of the City Code to include definitions and details regarding the availability of net metered electric service within the customer rate classes, and

WHEREAS, the deployment of advanced metering infrastructure now allows for automated monthly settlement of net-metering residential customers rather than the current manually processed annual settlement; and

WHEREAS, such a monthly settlement is not intended to negatively impact the financial benefit received by net-metering customers; and

WHEREAS, the Energy Board considered the proposed 2014 electric rates, fees and charges on April 3, 2014, and unanimously recommended approval of the rate changes including a rate adjustment for billings issued for residential net-metering customers; and

WHEREAS, the City Manager and staff have recommended to City Council the following electric rate adjustments for all billings issued for residential net-metered customers with meter readings on or after June 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 electric rates, fees and charges with regard to the provision of net-metered service.

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

Section 1. That Section 26-464(p) of the Code of the City of Fort Collins is hereby amended to read as follows:

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

. . .

(p) *Net-metering*.

(1) Net-metering service is available to a customer-generator producing electric energy exclusively with a qualifying facility using a qualifying renewable technology when the generating capacity of the customer-generator's qualifying facility meets the following two (2) criteria:

a. the qualifying facility is sized to supply no more than one hundred twenty (120) percent of the customer-generator's average annual electricity consumption at that site, including all contiguous property owned or leased by the customer-generator, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way or utility rights-of-way; and

b. the rated capacity of the qualifying facility does not exceed the customer-generator's service entrance capacity.

(2) The energy generated by an on-site qualifying facility and delivered to the utility's electric distribution facility shall be used to offset energy provided by the utility to the customer-generator during the applicable billing period.

(3) The customer-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.

(4) A customer-generator who receives approval from the electric utility to obtain net-metering service shall be subject to the monthly rates described above in this rate schedule section.

(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 ~~and, in the event that the qualifying facility has produced more electricity than the customer generator has consumed, the customer generator shall receive a monthly credit for such production. During the second calendar quarter of each year, the customer generator shall receive payment for the net excess generation accrued for the preceding twelve (12) months. The credit per kilowatt hour for the energy delivered to the electric utility under this provision shall be provided at the summer season energy charge as specified in Subparagraph (c)(3)a~~. The energy consumed from the utility by the customer-generator shall be billed at the applicable seasonal tiered rate as outlined in

Section 26-464(c) or (d). 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 2. That Section 26-465 (q) of the Code of the City of Fort Collins is hereby amended to read as follows:

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

. . .

(q) *Net-metering*.

(1) Net-metering service is available to a customer-generator producing electric energy exclusively with a qualifying facility using a qualifying renewable technology when the generating capacity of the customer-generator's qualifying facility meets the following two (2) criteria:

a. the qualifying facility is sized to supply no more than one hundred twenty (120) percent of the customer-generator's average annual electricity consumption at that site, including all contiguous property owned or leased by the customer-generator, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way or utility rights-of-way; and

b. the rated capacity of the qualifying facility does not exceed the customer-generator's service entrance capacity.

(2) The energy generated by an on-site qualifying facility and delivered to the utility's electric distribution facility shall be used to offset energy provided by the utility to the customer-generator during the applicable billing period.

(3) The customer-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.

(4) A customer-generator who receives approval from the electric utility to obtain net-metering service shall be subject to the monthly rates described above in this rate schedule section.

(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 ~~and, in the event that the qualifying facility has produced more electricity than the customer-generator has consumed, the customer-generator shall receive a monthly credit for such production. During the second calendar quarter of each year, the customer-generator shall receive payment for the net excess generation accrued for the preceding twelve (12) months. The credit per kilowatt hour for the energy delivered to the electric utility under this provision shall be provided at the summer season energy charge as specified in Subparagraph (c) of this Section.~~ The energy consumed from the utility by the customer-generator shall be billed as outlined in Section 26-464(c). 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 3. That the amendments herein are effective and shall go into effect for all bills issued with meter readings on or after June 1, 2014.

Introduced, considered favorably on first reading, and ordered published this 6th day of May, A.D. 2014, and to be presented for final passage on the 20th day of May, A.D. 2014.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 20th day of May, A.D. 2014.

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Mayor

ATTEST:

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City Clerk