

Ordinance No. G-2870

**City of Anthony, Kansas
Electric Department**

**Parallel Generation Policy & Procedures
For Customer-Owned
Renewable Energy Resources**

October 2023

1. INTRODUCTION

The provisions of this Parallel Generation Policy shall apply only to Customer Generators with Renewable Energy Resources approved by the City.

2. GENERAL PROVISIONS:

- a. The City shall allow for its Customers to generate electricity on the Customer's side of the meter using only renewable resources for energy sources that follow this policy.
- b. Service is available on the City of Anthony's ("City" or "Utility") existing electric distribution system for Customers operating Renewable Energy Resources. The service is available as follows:
 - I. For Customer Generators with a rated output of 25 kW or less for Residential Customers and 200 kW or less for Commercial Customers.
 - II. On a first-come, first-served basis until the total rated generating capability of all interconnections served under Parallel Generation equals or exceeds four percent (4%) of the City's previous calendar year peak load (excluding special contract peak loads). Upon reaching this limit, no additional service for interconnection of Renewable Energy Resources shall be available through the utility. This service shall not be available for any electric service schedule allowing for resale.
 - III. To customers in good standing with a Customer-Owned Renewable Electric Generation Facility, as defined in the document "Interconnection Standards for Installation of Customer-Owned Renewable Energy Generation Facilities" ("Interconnection Standards"), and that wish to receive a billing credit for surplus renewable energy supplied to the Utility from eligible Customer-Owned Generation Facilities subject to the terms and conditions of this policy. Customer-Owned renewable generation and associated equipment are collectively referred to as "Generation Facility".
- c. The Utility may limit the number and size of renewable generators to be connected to the Utility's system due to the capacity of the distribution line to which such renewable generator would be connected, and in no case, shall the Utility be obligated to purchase an amount greater than 4% of Utility's peak power requirements. Peak power shall be calculated based upon 4% of the Utility's total previous calendar year peak load less any special contract peak load. Utility shall refuse interconnection of any generating facility with a rated generating capacity greater than Customer's annual peak electric load.

- d. A non-refundable application fee of \$250.00 must accompany the customer's interconnection application.
- e. Customer Generators shall be equipped with properly approved City metering equipment that can measure both demand and energy and the flow of electricity in both directions at the same rate, typically through use of a single bi-directional meter. Necessary metering will be supplied and installed by the City and paid for by the customer prior to installation. The City may, at its own expense and with written consent of the Customer, install one or more additional meters to monitor the flow of electricity.
- f. If a Customer Generator formally terminates Parallel Generation, the City shall treat the end of the service period as if it were the end of the billing period and, if applicable, settle with the Customer Generator according to the City's regular billing practices.
- g. Nothing in this policy shall abrogate any Customer's obligation to comply with all applicable Federal, State, or local laws, codes or ordinances; nor with the Standards, Service Regulations, and Policies of the City/Utility.

3. INTERCONNECTION STANDARDS

- a. To qualify for Parallel Generation, Customer Generators must comply at all times with the City's Interconnections Standards for Installation of Customer-Owned Electric Generating Facilities and this policy.

4. BILLING PRACTICES FOR PARALLEL GENERATION CUSTOMERS

- a. **Parallel Generation Service Rates.** All interconnected parallel generation customers shall be billed the same rates as residential and commercial customers in the current electric rate ordinance of the City of Anthony, as amended from time to time, including, but not limited to the following charges: customer, electric, energy adjustment, demand, franchise fees, environmental, transmission, improvement rider, any late payment charges, and any requirements for deposits or special charges or fees that may be applied. Customer Generator billing shall be subject to the same standard utility billing practices of the City that apply to residential and commercial electric customers including but not limited to: billing due dates, service disconnect procedures, etc.

Minimum Bill:

The minimum customer charge set forth in the current electric rate ordinance of the City of Anthony, as may be amended from time to time, shall be the Minimum Bill. Any credits (\$) applied to the bill will not result in a total bill less than the Minimum Bill.

- b. **Customer Billing.** The measurement of net electricity supplied by the Electric Utility and delivered to the Electric Utility shall be calculated in the following manner. Electric Utility shall measure the amount of electricity delivered by Electric Utility to Customer and the amount of electricity generated by the Customer and delivered to Electric Utility during the billing period, in accordance with normal metering practices. The kWh delivered by Electric Utility to the Customer shall be billed to the Customer at the rates contained in the current rate ordinance of the City of Anthony. The kWh generated by the Customer and delivered to the Electric Utility shall be credited as described in Customer Billing Credit below. The calculated credit (\$) applied to the bill will not result in a total bill less than the Minimum Bill.
 - c. **Customer Billing Credit.** The Utility shall calculate a billing credit for surplus energy (the kWh generated by the Customer and delivered to the Electric Utility) generated by the Generation Facility and delivered to the Electric Distribution System that exceeds the Customer's instantaneous load but is not in excess of the appropriate generator size. The Utility shall credit one hundred and fifty percent (150%) of the Utility's monthly system average cost of energy per kilowatt hour (\$/kWh) per said surplus energy kWh for the periods in which energy was delivered to the Utility.
- 5. **ELIGIBILITY:**
Interconnection to the electric system shall be granted only to new or existing customers in good standing (as defined in the Interconnection Standards) who's accounts are paid in full and current at date of application, under the City's electric billing schedules. All agreements hereunder shall be between the Customer Generator and the City and will not include third parties.
- 6. **REQUEST:**
The Customer Generator shall make a request by completing the attached documents entitled "Application for Parallel Generation Service" and "Interconnection Application." The City may require additional information or clarifications as needed to properly evaluate the application.
- 7. **SYSTEM EFFECTS:**
The City will analyze the overall impact of the proposed customer generating facility on the transmission and distribution system. Such analyses will be based on Good Utility Practice to determine thermal effects, voltage ranges, power quality, system stability, etc. in accordance to the City's Interconnection Standards.
- 8. **SYSTEM UPGRADES:**
As a result of the above analysis, and prior to approval of application, the City will provide the Customer Generator with a cost estimate and projected timeframe for any system upgrades, to be paid for by the Customer Generator, that may be necessary to accommodate the generating facility.

9. **CODES AND PERMITS:**
 - a. The Customer Generator shall be responsible for procuring all building, operating and environmental permits that are required by any Governmental Authority having jurisdiction for the type of generating facility and for the necessary ancillary structures to be installed.
 - b. The equipment shall meet all standards as referenced in the Interconnection Standards for Installation of Customer Owned Energy Generating Facilities.
 - c. The construction and facilities shall meet all local codes.
10. **CERTIFICATE OF COMPLETION:**

Upon completion of the generating facility and prior to normal operation, the Customer Generator shall provide a signed copy of the document entitled "Certificate of Completion" as required by the Interconnection Agreement.
11. **NORMAL OPERATION:**

The Customer Generator may begin normal operation of the generating facility upon completion of all documentation, inspection by, and receipt of the document entitled "Approval to Energize" from the City as required by the Interconnect Agreement.
12. **AGREEMENT:** The Interconnection Agreement between the Utility and Customer must remain in effect and the Customer-Owned Generation Facility must be in full compliance at all times with the terms and conditions of the Interconnection Standards for Installation of Customer-Owned Renewable Energy Generation Facilities. Any required insurance coverage is specifically addressed in the Interconnection Standards.
13. **DEFINITIONS:**

All capitalized terms and phrases throughout this set of standards shall be defined as indicated in the attached Glossary of Terms.

Application for Parallel Generation Service

This Application is considered complete when it provides all applicable and correct information required below. Additional information or clarification to evaluate the Application may be requested by the City.

Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Customer Signature

I agree to abide by the terms and conditions of the City's Parallel Generation Policy & Procedures for Customer-Owned Renewable Energy Resources.

Signed: _____

Date: _____

For Office Use Only

Requirements for Approval of Parallel Generation

The City must verify that the following requirements are met in order for Customer Generator to qualify for Parallel Generation Rate:

- ☐ Qualified Renewable Energy Resource
- ☐ Interconnection Application
- ☐ Interconnection Agreement
- ☐ Certificate of Completion

City Signature: _____

Title: _____ Date: _____

Application ID Number: _____

Glossary of Terms

Monthly Billing Period – The City’s designated month in which meters are read and bills are issued.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Customer – Any entity interconnected to the City’s distribution system for the purpose of receiving retail electric power service from the City’s distribution system.

Customer Parallel Generator, or Customer Generator – The owner or operator of a Parallel Generation facility which:

- 1) is powered by a renewable energy resource;
- 2) is located on a premises owned, operated, leased or otherwise controlled by the Customer Generator;
- 3) is interconnected and operates in synchronization with an affected utility and is in compliance with the standards established by the affected utility;
- 4) is intended primarily to offset part or all of the Customer Generator’s own electrical energy requirements;
- 5) contains a mechanism, approved by the utility, that automatically disables the unit and interrupts the flow of electricity back onto the supplier’s electricity lines in the event that service to the Customer Generator is interrupted.

Customer-Owned Generating Facility– The Customer’s equipment for the production of electricity identified in the Interconnection Application.

Distribution System – The City’s facilities and equipment used to transmit electricity to ultimate usage points including residential, commercial and industrial facilities directly from nearby generation points or from interchanges with higher voltage transmission networks which transport bulk power over longer distances.

Parallel Generation – Customer Owned renewable generation that is interconnected with the city electric grid on customer’s side of meter and is designed to off-set the amount of energy purchased from the utility.

Force Majeure – A Force Majeure event shall mean “any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control”. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the

exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer or any Affiliate thereof.

Interconnection Application – The Customer's request to interconnect a new Customer-Owned Generating Facility, or to increase the capacity of, or make a material modification to the operating characteristics of, an existing Customer-Owned Generating Facility that is interconnected with the City's electrical system.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Renewable Energy Resource -Electric energy produced from solar or wind resources, or other energy resources defined as renewable by Kansas statute.

System Upgrades – The additions, modifications, and upgrades to the City's Distribution System at or beyond the point of interconnection to facilitate interconnection of the Customer-Owned Generating Facility.

Adopted by the City Council / Board of Commissioners: _____ (date)

Revised: _____ (date)

(A copy of Ordinance No. _____ is attached)

ORDINANCE NO. G-2870

AN ORDINANCE AMENDING BEHIND THE METER GENERATION POLICY & PROCEDURES FOR CUSTOMER-OWNED RENEWABLE ENERGY RESOURCES AND INTERCONNECTION STANDARDS FOR INSTALLATION OF CUSTOMER-OWNED RESIDENTIAL AND COMMERCIAL RENEWABLE ENERGY GENERATION FACILITIES.

WHEREAS, The Governing Body of the City of Anthony, Kansas, finds that there is increasing interest in customer-owned renewable energy resources; and

WHEREAS, Policies and procedures are necessary for the health, safety and welfare of the citizens and city employees for the interconnection of such customer-owned renewable energy resources with the City's electric utility system; and

WHEREAS, the Governing Body of the City of Anthony, Kansas, desires to update certain uniform policies and procedures for such customer-owned renewable energy electrical generation for statutory compliance.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ANTHONY, KANSAS, AS FOLLOWS:

SECTION 1: There is hereby amended the formerly titled Behind the Meter Generation Policy and Procedures for Customer-Owned Renewable Energy Resources, now titled Parallel Generation Policy and Procedures for Customer-Owned Renewable Energy Resources, and there is hereby amended the Interconnection Standards for Installation of Customer-Owned Residential and Commercial Renewable Energy Generation Facilities.

SECTION 2: Parallel Customer Generators must meet all the applicable requirements of the City's Interconnection Standards for Installation of Customer-Owned Electric Generating Facilities in addition to the requirements of the Parallel Generation Policy and Procedures for Customer-Owned Renewable Energy Resources.

SECTION 3: Full copies of the Parallel Generation Policy and Procedures for Customer-Owned Renewable Energy Resources and the 2023 Interconnection Standards for Installation of Customer-Owned Electric Generating Facilities are available in the office of the City Clerk.

SECTION 4: Ordinance No. G-2844 and attached Exhibits are hereby repealed and replaced with this Ordinance.

SECTION 5: This ordinance shall be effective upon its adoption and publication in the official city newspaper.

APPROVED AND ADOPTED by the governing body of the City of Anthony, Kansas, this 3rd day of October 2023.

Greg Cleveland, Mayor

ATTEST:

Cyndra Kastens, City Clerk/Administrator