

ORDINANCE NO. 106, 2022
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
REGARDING NET METERED RENEWABLE ENERGY GENERATION SYSTEM SIZING
AND ADOPTING ADMINISTRATIVE RULES FOR NET METERED SYSTEM SIZING

WHEREAS, Chapter 26 of the City Code regulates and governs the provision of utility services, and sets forth definitions and terms for applying fees and bill-credits for delivery of specified utility services; and

WHEREAS, such provisions require periodic updating and modification for purposes of clarification and to ensure that the Code remains a dynamic document capable of responding to issues identified by staff, customers, residents and changing technology for and manner of delivering utility services; and

WHEREAS, Utilities staff has identified provisions of Chapter 26 of the Code where updates to net metered customer solar generation project sizing criteria are required to align with Colorado statute, Utility practices, and the City's Energy Policy and Climate Action Plan goals; and

WHEREAS, on March 3, 2015, City Council adopted Resolution 2015-030, updating City Energy Policy and Climate Action Plan goals to reduce emissions to 20% below 2005 levels by 2020, to 80% below 2005 levels by 2030, and to be carbon neutral by 2050; and

WHEREAS, on December 6, 2011, City Council adopted Ordinance No. 166, 2011, enacting a rate structure to encourage customer net metered energy generation and further City Energy Policy and Climate Action Plan goals; and

WHEREAS, on August 20, 2019, the City Council adopted Resolution 2019-091, acknowledging the global climate emergency and reaffirming the City's commitment to climate action, as reflected in City Energy Policy and Climate Action Plan goals; and

WHEREAS, since 2011, Chapter 26 of the City Code reflected the sizing limit on new customer net metered energy generation systems found in Colorado Revised Statutes §40-2-124, i.e. systems sized to supply no more than one hundred twenty percent of the average annual consumption of electricity by the consumer at the customer's site ("120% Rule"); and

WHEREAS, in 2021, the Colorado General Assembly adopted SB 21-261, amending the statutory sizing limit on customer net metered energy generation systems to allow sizes up to 200% of the "reasonably expected annual total consumption of electricity at all properties owned or leased by a customer within a public utility's service territory"; and

WHEREAS, Section 26-463 of the City Code provides that rules, regulations, and standards applicable to electric service and persons receiving electric service provided by the City may be adopted by the Utilities Executive Director and approved by ordinance of the City Council; and

WHEREAS, Sections 26-464 through 26-470 of the City Code provide that the Utilities Executive Director may advance programs to assist customers or provide incentives to customers to reduce energy consumption in furtherance of Council-adopted policies; and

WHEREAS, on June 28, 2022, Utilities staff presented to Council a recommendation to remove the 120% Rule language from Chapter 26 of the City Code to incentivize customer investment in net metered energy generation systems up to size limits set by the Utilities Executive Director based on Council-approved administrative rules; and

WHEREAS, the proposed Renewable Energy System Sizing administrative rules attached hereto as Exhibit "A" establish criteria to consider when energy consumption is not a reliable factor for limiting the size of a customer's new net metered system; and

WHEREAS, on September 8, 2022, the Energy Board reviewed the Renewable Energy System Sizing administrative rules, and unanimously recommended approval by Council; and

WHEREAS, the City Council has determined it is desirable to maintain appropriate net metering utility service practices and the recommended update of such practices in the City Code, as set forth herein, is in furtherance of benefits available to utility ratepayers; and

WHEREAS, the Utilities Executive Director recommends Council approve the administrative rules in Exhibit "A," incorporated by this reference, to update system sizing practices and incentivize customer investment in net metered energy generation systems; and

WHEREAS, the City Council has determined that continued customer investment in net metered energy generation systems directly benefits electric utility ratepayers by facilitating local renewable energy generation, and the recommended administrative rules, regulations, and standards set forth in Exhibit "A" are in the best interests of the electric utility and its customers.

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 Section 26-463(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-463. - Electric rates; general service rules, regulations and interconnection standards.

- (a) The rules, regulations and Interconnection Standards for Generating Facilities Connected to the Fort Collins Distribution System applicable to electric service and persons **generating electricity or** receiving electric service from the City shall be such rules, regulations and Interconnection Standards for Generating Facilities Connected to the Fort

Collins Distribution System as are adopted by the Utilities Executive Director and approved by ordinance of the City Council.

...

Section 3. That Section 26-464(h), (p)(1)a. and (r)(1)b. of the Code of the City of Fort Collins are hereby amended to read as follows:

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

...

(h) *Conservation assistance, rebates and incentives.* The utility may establish programs to assist customers or provide incentives to customers in order to reduce energy consumption or system peak demands consistent with Council-adopted policy applicable to the utility. Such programs may include financial or technical assistance, incentives or rebates and shall be consistent with program objectives approved by the Utilities Executive Director. **The Utilities Executive Director will notify Council of changes to the reference customer class average annual electricity consumption size used to evaluate net metered systems.**

...

(p) *Net metering.*

(1) ...

a. The qualifying facility is sized **according to program objectives set by the Utilities Executive Director under Subsection (h) of this Section to supply no more than two ~~one-hundred-twenty (120)~~ (200) percent of a customer class average annual electricity consumption or** 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. **The customer class average annual electricity consumption size will be reviewed annually by the Utilities Executive Director under Subsection (h) of this Section; and**

...

(r) *Net metering—Community solar projects.*

(1) ...

b. The generating capacity of the customer's interest in a subscriber-owned facility is sized **according to program objectives set by the Utilities Executive Director under Subsection (h) of this Section** to supply no more

than ~~two one-hundred-twenty (120)~~(200) percent of a customer class average annual electricity consumption or the customer-generator's average annual electricity consumption at the customer-generator'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. The customer class average annual electricity consumption size will be reviewed annually by the Utilities Executive Director under Subsection (h) of this Section.

...

Section 4. That Section 26-465(h), (q)(1)a. and (r)(1)b. of the Code of the City of Fort Collins are hereby amended to read as follows:

Sec. 26-465. - All-electric residential service, schedule RE.

...

(h) *Conservation assistance, rebates and incentives.* The utility may establish programs to assist customers or provide incentives to customers in order to reduce energy consumption or system peak demands consistent with Council-adopted policy applicable to the utility. Such programs may include financial or technical assistance, incentives or rebates and shall be consistent with program objectives approved by the Utilities Executive Director. The Utilities Executive Director will notify Council of changes to the reference customer class average annual electricity consumption size used to evaluate net metered systems.

...

(q) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (h) of this Section to supply no more than ~~two one-hundred-twenty (120)~~(200) percent of a customer class average annual electricity consumption or 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. The customer class average annual electricity consumption size will be reviewed annually by the Utilities Executive Director under Subsection (h) of this Section; and

...

(r) *Net metering—Community solar projects.*

(1) ...

b. The generating capacity of the customer's interest in a subscriber-owned facility is sized according to program objectives set by the Utilities Executive Director under Subsection (h) of this Section to supply no more than two ~~one-hundred-twenty (120)~~ (200) percent of a customer class average annual electricity consumption or the customer-generator'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. The customer class average annual electricity consumption size will be reviewed annually by the Utilities Executive Director under Subsection (h) of this Section.

...

Section 5. That Section 26-466(q)(1)a. and (r)(1) of the Code of the City of Fort Collins are hereby amended to read as follows:

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

...

(q) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (g) of this Section to supply no more than two ~~one-hundred-twenty (120)~~ (200) 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; and

...

(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 according to program objectives set by the Utilities Executive Director under Subsection (g) of this Section to supply no more than two ~~one-hundred-twenty (120)~~(200) percent of the customer-generator'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.

...

Section 6. That Section 26-467(r)(1)a. of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-467. - General service 25, schedule GS25.

...

(r) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (h) of this Section to supply no more than two ~~one-hundred-twenty (120)~~(200) 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

...

Section 7. That Section 26-468(u)(1)a. of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-468. - General service 50, schedule GS50.

...

(u) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (i) of this Section to supply no more than two ~~one-hundred-twenty (120)~~(200) 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

...

Section 8. That Section 26-469(v)(1)a. of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-469. - General service 750, schedule GS750.

...

(v) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (i) of this Section to supply no more than two ~~one-hundred-twenty (120)~~ (200) 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

...

Section 9. That Section 26-470(s)(1)a. of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-470. - Substation service, schedule SS.

...

(s) *Net metering.*

(1) ...

a. The qualifying facility is sized according to program objectives set by the Utilities Executive Director under Subsection (g) of this Section to supply no more than two ~~one-hundred-twenty (120)~~ (200) 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

...

Section 10. That the Renewable Energy System Sizing administrative rules set forth in Exhibit "A," attached hereto and incorporated herein by this reference, are hereby approved by the City Council pursuant to Section 26-463(a) of the City Code.

Introduced, considered favorably on first reading, and ordered published this 4th day of October, A.D. 2022, and to be presented for final passage on the 18th day of October, A.D. 2022.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 18th day of October, A.D. 2022.

Mayor

ATTEST:

City Clerk