



Meeting Date: March 30, 2023 **Agenda Type:** Consent Item for Action

From: Sarah Richards **Reviewed by:** David Hubbard
Director of Customer Chief Administrative Officer
Solutions

Submitted by: David Hubbard **Approved by:** Ian Taylor
Chief Administrative Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Make Available the Standard Agreement for Negotiation and Execution of Agreements for Interconnection and Parallel Operation of Distributed Generation, as Required by Senate Bill 398

BACKGROUND

Senate Bill 398 87(R) – 2021 (“SB 398”), relating to certain resources and facilities for distributed generation, passed and was signed into law following the 87th legislative session. Distributed generation facility is defined as a facility installed on the customer's side of the meter but separately metered from the customer (i) with a nameplate capacity of at least 250 kilowatts and not more than 10 megawatts; (ii) that is capable of generating and providing backup or supplementary power to the customer's premises; and (iii) that is owned or operated by a person registered as a power generation company in accordance with Section 39.351. SB 398 amended Section 3., Subchapter B, Chapter 35 of the Utilities Code by adding Section 35.037, which describes requirements for interconnection and operation of distributed generation facilities for food supply by Municipally Owned Utilities (“MOUs”).

It is the intent of the legislature in enacting section 35.037, to allow grocers the ability to deploy generation in the ERCOT power region, in areas that have not implemented retail customer choice. Under SB 398, New Braunfels Utilities (“NBU”) and other MOUs are now required to (i) consider certain distributed generation requests; (ii) make available a standard application and interconnection agreement; and (iii) respond to applications within a specified timeline. At the board meeting on January 26, 2023, NBU staff provided a presentation about this process and requested input on the proposed Standard Agreement for Interconnection and Parallel Operation of Distributed Generation (“Standard Agreement”).

NBU staff requests that the Board of Trustees approve the Standard Agreement for negotiation and execution of agreements for Interconnection and Parallel Operation of Distributed Generation, as required by SB 398.

FINANCIAL IMPACT

None.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

EXHIBITS

1. Agreement for Interconnection and Parallel Operation of Distributed Generation
2. Application for Interconnection and Parallel Operation of Distributed Generation