

RESOLUTION NO. 4-08

A RESOLUTION BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, ESTABLISHING AN INTERIM NET METERING RATE AND POLICY, RESCINDING ALL RESOLUTIONS, OR PORTIONS THEREOF, IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Utilities Commission, City of New Smyrna Beach, Florida, was duly created and validly existing under and by virtue of Chapters 67-1754 and 85-503, Laws of Florida, as the governing body of the utility system of the City of New Smyrna Beach, Florida; and

**WHEREAS**, the Florida Public Service Commission recently enacted rules for net metering and interconnection for renewable energy systems and the rules do not currently apply to electric cooperatives or municipal utilities, however, the Utilities Commission believes it is prudent to commence formalization of our policies and rates for net metering beginning with this interim policy; and

**WHEREAS**, two public hearings have been duly noticed and held on July 21, 2008, and August 18, 2008.

**NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:**

**SECTION 1:** That the following rate schedules have been established as shown on the tariff sheets attached to and made a part of this resolution as follows: Original Sheet No. 26.0 - INTERIM NET METERING INTERIM RIDER TO UC RESIDENTIAL AND GENERAL SERVICE ELECTRIC RATE SCHEDULES EXCLUDING ALL LOAD MANAGEMENT SCHEDULES; Original Sheet No. 26.1 - CONTINUATION OF ORIGINAL SHEET NO. 26.0; Original Sheet No. 26.2 – CONTINUATION OF ORIGINAL SHEET NO. 26.1; Original Sheet No. 26.3 – CONTINUATION OF ORIGINAL SHEET NO. 26.2; Original Sheet No. 26.4 – CONTINUATION OF ORIGINAL SHEET NO. 26.3; and Original Sheet No. 26.5 – CONTINUATION OF ORIGINAL SHEET NO. 26.4.

**SECTION 2:** If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**SECTION 3:** All Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

**SECTION 4:** This resolution was approved by the Utilities Commission during a Regular UC Meeting held August 18, 2008, and will take effect September 1, 2008.

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on August 18, 2008, by Commissioner Diesen, who moved its adoption, which motion was seconded by Commissioner Hall, and upon roll call vote of the Commission was as follows:

CHAIRMAN	<u>Kalter Allen</u>	<u>yes</u>
VICE CHAIRMAN	<u>William S. Hall</u>	<u>yes</u>
SECY.-TREAS.	<u>Gregory A. Wilson</u>	<u>yes</u>
COMMISSIONER	<u>Gregory A. Wilson</u>	<u>yes</u>
COMMISSIONER	<u>William S. Hall</u>	<u>8-18-08</u>

APPROVED:

Kalter Allen  
CHAIRMAN

ATTEST:

Gregory A. Wilson  
SECRETARY-TREASURER

S E A L

APPROVED AS TO FORM AND  
CORRECTNESS:

William S. Hall  
Utilities Commission Attorney

(Standby Electric and On-Site Generation) SE/OSG  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES**

**I. AVAILABILITY:**

Throughout the Utilities Commission, City of New Smyrna Beach, Florida (UC), service area from existing lines of adequate capacity. Service under this Rider is provided on a customer by customer basis and subject to the completion of arrangements necessary for implementation.

This Rider may be modified or withdrawn and is classified by the Utilities Commission as a Non-Firm Electric On-Site Customer-Owned Generation Service Net Metering Rider to existing UC Residential and General Service Schedules excluding all Load Management schedules which Schedules may be amended from time to time. For purposes of affording electric supply options to native load customers, the participating customers agree that the Terms and Conditions Provisions or any other Commission determination regarding this Rider shall not be construed: as an obligation to serve; incur direct or imputed liability for persons, business processes, or tangible or intangible assets; or incur direct or indirect costs upon the UC system for having offered said Rider to participating customers.

The UC shall have the and reserves the right to reject any project from this Rider Classification upon any appropriate grounds, including, without limitation, a demonstration that the customer has installed OSG with a total nameplate rating greater than ninety percent (90%) of its demand; or has operated or may operate the SE/OSG in a material manner detrimental to the operation of the UC's electrical system; or has or may establish events whereby the UC is non-compliant with UC Res. 28-78 and NSB Charter.

**A. Renewable Customer-owned Energy Power Producing Facilities**

For retail customers with renewable energy generating systems\* delivering kilowatt hours onto the UC system consisting of:

1. Tier One. Ten (10) kilowatts or less provided they comply with the then in effect UC Standardized Interconnection Requirements and do not exceed ninety (90) percent of the customer's maximum potential alternating current demand served by all sources. UC fees for such installations will be consistent with fees for other customers without such generation, including application fees. However, compensation for energy delivered onto the UC system shall exclude the Charter required six (6) percent payment to the City of New Smyrna Beach and the required eight (8) percent UC Resolution 28-78 R&R assessment from the applicable rate.
2. Tier Two. Over ten (10) kilowatts and less than or equal to one-hundred (100) kilowatts provided they comply with the then in effect UC Standardized Interconnection Requirements for units of such size and do not exceed ninety (90) percent of the customer's maximum potential alternating current demand served by all sources. UC fees for such installations will be cost-based for the specific installation, including application fees. However, compensation for energy delivered onto the UC system shall exclude the Charter required six (6) percent payment to the City of New Smyrna Beach, the required eight (8) percent UC Resolution 28-78 R&R assessment from the applicable rate, and the applicable Transmission system cost and generation capacity cost in effect during the billing cycle for payments earned under this tariff.

(Continued on Original Sheet No. 26.1)

(Continued from Original Sheet No. 26.0)

(Standby Electric and On-Site Generation) SE/OSG  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES (Cont.)**

3. Tier Three. Greater than one hundred (100) kilowatts and less than or equal to two thousand (2,000) kilowatts provided they comply with the then in effect UC Standardized Interconnection Requirements for units of such size and do not exceed ninety (90) percent of the customer's maximum potential alternating current demand served by all sources. UC fees for such installations will be cost-based for the specific installation, including application fees. However, compensation for energy delivered onto the UC system shall exclude the Charter required six (6) percent payment to the City of New Smyrna Beach, the required eight (8) percent UC Resolution 28-78 R&R assessment from the applicable rate, the applicable embedded fuel costs in effect during the billing cycle, and the applicable transmission and ancillary transmission costs and generation capacity cost in effect during the billing cycle for payments earned under this tariff.
  
4. If the kWh delivered to the UC System exceeds the kWh delivered to the Customer's home in a billing cycle, a credit for the net kWh delivered to the UC's system shall be carried forward to the next billing cycle. Credits may accumulate and be carried forward for a 12 month period. The 12 month period is defined as the first billing cycle in which the installation has been approved by the UC for interconnection and will continue for each successive month concluding with the 12<sup>th</sup> billing cycle ("reconciliation month"). At the conclusion of the 12<sup>th</sup> billing cycle the net balance will be paid the Customer for net excess energy delivered to the UC's System at the end of the 12 month period based upon UC costs in effect during said month of the 12<sup>th</sup> billing. Such payment will be forthcoming within 60 days of such reconciliation date. The 12 month reconciliation cycle will be repeated until such agreement is terminated by either party at which time the UC costs for that month will be used to determine any payments, if any, which will be forthcoming within 60 days of such reconciliation date.
  - \* The designated technologies of fuel cell, wind, solar-thermal, solar-voltaic, sustainably-managed biomass, vegetable-base oil, tidal, geothermal, methane waste, waste-to-energy, or fuel-cell combined heat and power (CHP) systems are currently regarded as renewable sources.

B. Green Attributes

The UC shall install, at UC's sole expense, metering equipment capable of measuring the total system output of interconnected customer-owned renewable generation. The customer shall install the appropriate meter socket and associated electrical circuits as may be required for the customer's renewable generation. The UC shall have the right to receive, and is solely responsible to apply and qualify for, the benefits of any and all Green Attributes created or granted as a result the total system output of interconnected customer-owned renewable generation. The term "Green Attributes" shall include any and all credits, certificates, benefits, environmental attributes, emissions reductions, offsets, and allowances, however entitled, attributable to the generation of electricity from the customer owned-renewable generation and its displacement of conventional energy generation.

(Continued on Original Sheet No. 26.2)

ISSUED BY: Robert J. Rodi  
GENERAL MANAGER/CEO

EFFECTIVE: SEPTEMBER 1, 2008

(Continued from Original Sheet No. 26.1)

(Standby Electric and On-Site Generation) SE/OSG  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES (Cont.)**

**II. APPLICATION FOR SERVICE:**

The Customer must apply for service by providing the Company with an executed Application for Interconnection and an executed Interconnection Agreement, all of which are available from UC engineering. UC staff is hereby authorized to amend technical requirements, including the designated renewable technologies, of said Application and Interconnection Agreement as may be appropriate from time-to-time based upon the individual circumstances or applications onto the UC's electric system.

No application fee shall apply for Tier One Customers.

Tier Two Customers shall pay a \$275 application fee to cover the cost for processing the application and review of the proposed interconnection impact on the UC's electric system. Such Interconnection shall be consistent with prudent utility practice, industry criteria, and shall not whatsoever require any costs, including overheads and indirects, to the UC for upgrade or construction on the UC's electric system.

Tier Three Customers shall pay a \$750 application fee to cover the cost for processing the application and review of the proposed interconnection impact on the UC's electric system, plus the actual UC cost of a formal Interconnection Study. Such Interconnection shall be consistent with prudent utility practice, industry criteria, and shall not whatsoever require any costs, including overheads and indirects, to the UC for upgrade or construction on the UC's electric system.

**III. CHARACTER OF SERVICE:**

Continuous, 60 cycle single or three phase alternating current delivered at one standard offering secondary or primary distribution voltage or transmission voltage, phase and voltage depending on availability and the customer's requirements. Under these demand provisions, the customer agrees to maintain power factors at .98 or greater but not to exceed 1.02 of unity.

**IV. INTERCONNECTION:**

**A. TERM**

A minimum of one year from commencement of service under this Rider and for such additional time as the customer continues to qualify for said service on a month-to-month basis unless terminated by the customer of the UC. The UC may remove a customer not meeting the criteria for mandatory or elective service at any time. A customer cannot resume said service except on a case-by-case basis as determined solely by the UC.

**B. GENERAL TERMS AND CONDITIONS**

1. The charges calculated under this tariff are subject to change in such an amount as may be approved and/or amended by the Utilities Commission or under the provisions of applicable tariffs and riders.

(Continued on Original Sheet No. 26.3)

ISSUED BY:

  
GENERAL MANAGER/CEO

EFFECTIVE: SEPTEMBER 1, 2008

(Continued from Original Sheet No. 26.2)

**(Standby Electric and On-Site Generation) SE/OSG**  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES (Cont.)**

- a. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interaction operation with an electric distribution system in compliance with the applicable **Codes and Standards**. The Customer shall conform to all applicable codes and standards for safe and reliable operation. Among these are the National Electric Code (NEC), National Electric Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), American National Standards Institute (ANSI), and Underwriters Laboratories (UL) standards, and local, state and federal building codes. The Customer shall be responsible to obtain all applicable permit(s) for the equipment installations on their property.
  - b. Codes and standards for inverter installations will be in compliance with all applicable standards including of IEEE 1547, IEEE 1547.1, and UL 1741 IEEE Standard 519-1992 Harmonic Limits.
  - c. Non-Inverter-Based Interconnection Requirements  
In addition to applicable inverter codes and standard, the Application for such Interconnection may require more detailed UC review, testing, and approval, at Customer cost, of the equipment proposed to be installed to ensure compliance with other additional and applicable standards including:
    - IEEE Std 1547-2003 Standard for Interconnecting Distributed Resources with Electric Power Systems
    - ANSI Standard C37.90, IEEE Standard for Relays and Relay Systems Associated with Electric Power Apparatus
  - d. Customers proposing such interconnection may also be required to submit a power factor mitigation plan for UC review and approval.
  - e. The Customer shall provide a written report that Customer-owned renewable generation complies with the foregoing standards.
2. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to No. 1 immediately above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid or circuit should the grid or circuit lose power or become de-energized. For Tiers Two and Three installations of additional requirements such as protective and isolation relaying and synchronous generation relays may be required by UC Engineering and will be reviewed on a case-by-case basis.

(Continued on Original Sheet No. 26.4)

(Continued from Original Sheet No. 26.3)

(Standby Electric and On-Site Generation) SE/OSG  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES** (Cont.)

3. The Customer shall be responsible for protecting its Customer-owned renewable generation equipment, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the UC electrical system in delivering and restoring power; and shall be responsible for ensuring that Customer-owned renewable generation equipment is inspected, maintained, and tested with the manufacturer's instructions to ensure that it is operating correctly and safely. The Customer agrees to provide and maintain general liability insurance for personal and property damage, or sufficient guarantee and proof of self insurance of not less than one million dollars (\$1,000,000) for Tier One, one and one-half million dollars (\$1,500,000) for Tier Two, and two million dollars (\$2,000,000) for Tier Three during the entire period of the Interconnection Agreement.
4. The Customer agrees to provide City of New Smyrna Beach Building Code Official inspection and certification of the installation. The certification shall reflect that the Official has inspected and certified that the installation was permitted, has been approved, and has met all National Electric Code electric and ASME mechanical qualifications as applicable.
5. The UC reserves the right to inspect Interconnection, but not be limited to, such generating facilities, pertinent equipment, and instructions, to insure compliance with its Interconnection Agreement, upon reasonable notice or without notice in the event of an emergency or hazardous condition. Such inspection or observation by the UC shall not be deemed to be or construed in any way whatsoever as a direct or implied warranty by the UC of the safety, durability, suitability, or reliability of such equipment. The UC further reserves the right to disconnect the Customer-owned renewable generation at any time. The UC shall require the Customer to install, at the Customer's expense, a lockable, manual disconnect switch of the visible load-break type separate from, but adjacent to the meter socket(s) for UC meters, to provide a separation point between the AC power output of the Customer-owned renewable generation and any Customer wiring connected to the UC's system.
6. The Customer shall be solely responsible to disconnect the Customer-owned renewable generation and the Customer's other equipment if conditions on the UC system could adversely affect the Customer-owned renewable generation.
7. No interconnection of such renewable Customer-owned generation is permissible until approved by the UC by written acceptance. Such Interconnection Agreement is not assignable without written 30 day notice and agreement by either Party which consent shall not be unreasonably withheld or delayed. Furthermore, the Customer shall not enter into any lease agreement that results directly or indirectly in the retail purchase of electricity nor the retail sale, directly or indirectly, of electricity from the Customer-owned renewable generation.
8. The Customer shall notify the UC of any anticipated modifications to said system 30 days in advance of such proposed changes through a new application specifying such equipment changes or new equipment and will require written approval by the UC and the City of New Smyrna Beach or Volusia County Building Inspection Department.

(Continued on Original Sheet No. 26.5)

ISSUED BY: Robert J. Rodi  
GENERAL MANAGER/CEO

EFFECTIVE: SEPTEMBER 1, 2008

(Continued from Original Sheet No. 26.4)

(Standby Electric and On-Site Generation) SE/OSG  
**INTERIM NET METERING RIDER TO UC RESIDENTIAL AND GENERAL SERVICE SCHEDULES**  
**EXCLUDING ALL LOAD MANAGEMENT SCHEDULES (Cont.)**

9. The Customer shall indemnify, hold harmless and defend the UC from and against any and all liability, proceeding, suits, cost or expense for loss, damage or injury to persons or property, including the Customer-owned renewable generation, in any manner directly or indirectly connected with, or growing out of operation of the Customer-owned renewable generation, except in those cases where loss occurs due to the negligent actions of the UC as may be determined by Florida law. Under the limits permissible by Florida municipal law, the UC shall hold harmless and indemnify the Customer for all loss to third parties resulting from the operation of the UC's system, except when the loss occurs due to the negligent actions of the Customer.

C. INCREASE IN RATES AND CHARGES

All rates and charges billed under a Service Classification and Its Rider, including the Minimum Charge, shall be increased pursuant to the applicable required tax rates and other applicable governmental required fee payments by the United States, the State of Florida, Volusia County, the Utilities Commission or the City of New Smyrna Beach, as appropriate, for wherein the customer takes service.

ISSUED BY: Robert J. Poole  
GENERAL MANAGER/CEO

EFFECTIVE: SEPTEMBER 1, 2008