

RESOLUTION NO. R-113-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON TO AMEND SCHEDULE NEM NET ENERGY METERING OF THE ELECTRIC RULES AND RATE SCHEDULES IN THE CITY OF COLTON CUSTOMER SERVICE POLICY, TO ESTABLISH A NET ENERGY METERING COMPENSATION RATE (AVOIDED COST OF ENERGY MECHANISM)

WHEREAS, the City of Colton is a general law city, duly organized and existing under the laws of the State of California and situated in the County of San Bernardino; and

WHEREAS, the City Council of the City of Colton has jurisdiction over the implementation of rules and rates for the Electric Utility as propounded in the Customer Service Policy; and

WHEREAS, the existing Electric Rules and Rate Schedules in the Customer Service Policy were updated on September 16, 2014; and

WHEREAS, the Colton Electric Department (CED) has desires to amend Schedule NEM Net Energy Metering to comply with California Assembly Bill 920 (AB920) and to establish a net energy metering compensation rate (Avoided Cost of Energy Mechanism) of \$0.105 per kWh, for the purchase of energy resulting from over-production of on-site renewable energy.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON DOES HEREBY RESOLVE AS FOLLOWS:

That the City Council amend the Electric Rules and Rate Schedules, Schedule NEM, Net Metering, in the Customer Service Policy to establish a net energy metering compensation rate (Avoided Cost of Energy) of \$0.105 per kWh, as proposed in Exhibit "A" attached and made a part hereof to become effective immediately.

PASSED, APPROVED AND ADOPTED this 16th day of December, 2014.


RICHARD A. DELAROSA, Mayor

ATTEST:

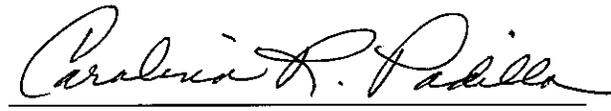

CAROLINA R. PADILLA, City Clerk

EXHIBIT "A"

Schedule NEM
Net Energy Metering

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**SCHEDULE NEM
NET ENERGY METERING**

1
2 The Net Energy Metering Interconnection Agreement for Solar or Wind Turbine Electric
3 Generating Facilities is applicable only to customers who satisfy all requirements of the
4 definition of an Eligible Customer-Generator as set forth in Section 2827(b)(2) of the
California Public Utilities Code on the effective date of this Agreement.

5 A. Description of Customer's Solar or Wind Electric Generating Facility

6 Customer elects to interconnect and operate a solar or wind turbine electrical generating
7 facility, or hybrid system of both, located on Customer's owned, leased or rented premises
8 within Colton Electric Utility's service area ("Generating Facility") in parallel with Colton's
electric grid.

9 Customer represents that the Generating Facility is intended primarily to offset part or all of
10 the Customer's own electrical requirements.

11 B. Residential or Small Commercial Customer Payment Schedule

12 As further described below, if Customer is a Residential or Small Commercial Customer,
13 Customer elects to be billed and to make payments to Colton for Customer's Net Energy
14 Metering Consumption on an annual or monthly basis.

15 C. Interruption or Reduction Of Deliveries

16 Colton shall not be obligated to accept or pay for, and may require Customer to curtail,
17 interrupt or reduce, deliveries of available energy from its Generating Facility (a) when
18 necessary in order to construct, install, maintain, repair, replace, remove, investigate, or
19 inspect any of its equipment or part of Colton's system, or (b) if Colton determines in its
20 sole discretion that such curtailment, interruption, or reduction is convenient or necessary
due to emergency, forced outage, force majeure, or compliance with prudent electrical
practices.

21 Whenever reasonably possible, Colton shall give Customer reasonable notice of the
22 possibility that curtailment, interruption or reduction of such deliveries may be required.

23 Notwithstanding any other provision of this Agreement, if at any time Colton determines
24 that either (a) the Generating Facility or its operation may endanger the health, safety or
25 welfare of Colton personnel, any person or the public, or (b) the continued operation of the
26 Generating Facility may endanger the integrity of Colton electric system, any property or
27 the environment, Colton shall have the right to enter onto Customer's premises and
disconnect Customer's Generating Facility from Colton system. Customer's Generating
Facility shall remain disconnected until such time as Colton is satisfied that the condition(s)
referenced in (a) and (b) of this Subsection 4.3 have been corrected.

28 D. Interconnection

Customer shall deliver the available energy to Colton at the Required Meter (below) located
on the Customer's premises.

1 Customer shall not commence parallel operation of the Generating Facility until Customer
2 receives written approval from Colton's Authorized Representative. Colton's Authorized
3 Representative shall provide such written approval within ten (10) working days from
4 Colton's receipt of a copy of the final inspection or approval of the Generating Facility that
has been issued by the governmental authority having jurisdiction to inspect and approve
the installation. Such approval shall not be unreasonably withheld.

5 Colton shall have the right to have its representatives present at the final inspection made by
6 the governmental authority having jurisdiction to inspect and approve the installation of the
Generating Facility. Customer shall notify Colton at least five days prior to such inspection.

7 E. Customer Requirements

8 Customer shall be responsible for the design, installation, operation, and maintenance of the
9 Generating Facility and shall obtain and maintain any required governmental authorizations
10 and permits.

11 Customer shall conform to all applicable solar or wind electrical generating system safety
12 and performance standards established by the National Electrical Code ("NEC"), the
13 Institute of Electrical and Electronics Engineers ("IEEE"), and accredited, nationally
14 recognized testing laboratories such as Underwriters Laboratories, applicable building
codes, and to all applicable Colton Electric Utility's Rules, as may be amended from time to
time.

15 Customer shall install a visible disconnect switch for the Generating Facility. The
16 disconnect switch shall be lockable in the open position and directly accessible to Colton
employees at all times.

17 F. Required Meter

18 In accordance with Colton's published Electrical Rules and Rates, Colton shall own, operate
19 and maintain on Customer's premises a single meter capable of registering the flow of
20 electricity in two directions ("Required Meter").

21 If the existing electrical meter of Customer is not capable of measuring the flow of
22 electricity in two directions, Customer shall be responsible for all expenses involved in
Colton's purchase and installation of a Required Meter.

23 An additional meter or meters to monitor the flow of electricity in each direction may be
24 installed with the consent of Customer, at the expense of Colton, and the additional
25 metering shall be used only to provide the information necessary to accurately bill or credit
26 Customer, or to collect solar or wind electric generating system performance information
for research purposes.

27 If an additional meter or meters are installed, the Net Energy Metering calculation shall
28 yield a result identical to that of a single meter.

1 G. Maintenance And Permits

2 Customer shall (a) maintain the Generating Facility and interconnection facilities in a safe
3 and prudent manner and in conformance with all applicable laws and regulations including
4 and (b) obtain any governmental authorizations and permits required for the construction
5 and operation of the Generating Facility and interconnection facilities. Customer shall
6 reimburse Colton for any and all losses, damages, claims, penalties, or liability it incurs as a
7 result of Customer's failure to obtain or maintain any governmental authorizations and
8 permits required for construction and operation of Customer's Generating Facility.

9 H. Access to Premises

10 Colton may enter Customer's premises (a) to inspect, at reasonable hours, Customer's
11 protective devices and read or test meters, and (b) to disconnect, without notice, the
12 interconnection facilities if, in Colton's opinion, a hazardous condition exists and such
13 immediate action is necessary to protect persons, Colton's facilities, or property of others
14 from damage or interference caused by Customer's Generating Facility or lack of properly
15 operating protective devices.

16 I. Indemnity And Liability

17 Except as to Colton's negligence or willful misconduct, Customer shall defend, indemnify
18 and hold harmless Colton, its officers, employees, and agents against and from any and all
19 loss, liability, damage, claim, cost, charge, demand, or expense (including without
20 limitation any direct, indirect or consequential loss, liability, damage, claim, cost, charge,
21 demand, expense, or attorneys' fees) for injury or death to any person, and damage to
22 property, including without limitation property of either Party, arising out of or in
23 connection with (a) any act or omission in the engineering, design, construction,
24 destruction, maintenance, repair, operation, supervision, inspection, testing, protection or
25 ownership of the Generating Facility, (b) any act or omission in the replacement, addition,
26 betterment, reconstruction, removal, or destruction, of or to the Generating Facility, or (c)
27 the Generating Facility.

28 The provisions of this Section shall not be construed to relieve any insurer of its obligations
29 to pay any insurance claims in accordance with the provisions of any valid insurance policy.

30 J. Insurance

31 To the extent that Customer has currently in force all risk property insurance and
32 comprehensive personal or commercial general liability insurance, Customer agrees that it
33 will maintain such insurance in force for the duration of this Agreement in no less amounts
34 than those currently in effect. Colton shall have the right to inspect or obtain a copy of the
35 original policy or policies of insurance prior to commencing operation.

36 If Customer meets the standards and rules set forth above, Customer shall not be required to
37 purchase any additional liability insurance.

1 Prior to Colton's execution of this Agreement, Customer shall provide Colton with evidence
2 of Customer's compliance with the requirements of this section.

3 K. Rates and Billing

4 All rates charged will be in accordance with Customer's otherwise applicable tariff (rate
5 schedule), as in effect from time to time, on a Net Energy Metering basis. "Net Energy
6 Metering" means measuring the difference between the electricity supplied through the
electric grid to the Customer and the electricity generated by Customer's Generating
Facility and fed back to the electric grid over a twelve-month period as described below.

7 Customer's otherwise applicable tariff (rate schedule) or "OAT" means the rate schedule in
8 Colton's published Electric Rules and Rates that would otherwise apply to Customer from
9 time to time in the absence of Schedule NEM and this Agreement. Provided that,
10 Customer's OAT shall not include Rate Schedule NEM or Rate Schedule S-Stand-By
Service.

11 Customer is responsible for paying all charges in its OAT including the minimum charge
12 (such as customer and service charge) and demand charge, when applicable, regardless of
Customer's monthly or annual net generation.

13 Customer is exempted from any new or additional charge imposed by Colton that would
14 increase Customer's charges under Customer's OAT beyond those of other customers in the
15 rate class to which Customer would otherwise be assigned.

16 If Customer's OAT is the Residential or Small Commercial Rate, the following provisions
17 apply.

18 The annualized Net Energy Metering calculation shall be made by measuring the difference
19 between the electricity supplied to Customer and the electricity generated by Customer and
20 fed back to the grid over a twelve-month period. At the end of each twelve-month period
21 following the date of first interconnection, and at each anniversary date thereafter, Colton
22 shall determine if Customer was a net consumer or a net producer of electricity during the
twelve-month time period. In the event the electricity supplied by Colton during the twelve-
month period exceeds the electricity generated by Customer during the same period,
Customer is a net energy consumer.

23 If Customer is a net energy consumer, Colton will bill Customer for the net energy
24 consumption during the twelve-month period based on Customer's OAT and Customer shall
pay for such net energy consumption annually, unless Customer elects to be billed monthly.

25 Customer may elect to be billed monthly for net energy consumption upon initiation of
26 service under this Agreement or upon written notice to Colton no later than thirty-days prior
27 to the end of any twelve-month period coinciding with the anniversary of interconnection.
28 Such change shall only be made by Colton at the beginning of a new twelve-month period
coinciding with the anniversary of interconnection.

1 If Customer's OAT is a Commercial, Industrial or Municipal Rate the following provisions
2 apply.

3 In the event the electricity supplied by Colton to Customer during the preceding billing
4 period exceeds the electricity generated by Customer during the same period, Customer is a
5 net electricity consumer.

6 Colton shall bill Customer for the net energy consumption during such billing period based
7 on Customer's OAT and Customer shall pay for such net energy consumption monthly in
8 accordance with Customer's monthly billing statement.

9 If Customer's OAT employs "time of use" rates, any net monthly consumption of electricity
10 shall be calculated according to the terms of the OAT. When Customer is a net generator
11 during any discrete time of use period, the net kilowatt hours produced shall be valued at the
12 rate of \$0.105 per kWh.

13 If Customer's OAT employs "baseline" and "over baseline" rates, any net monthly
14 consumption of electricity shall be calculated according to the terms of the OAT. If
15 Customer is a net generator over a billing period, the net kilowatt-hours generated shall be
16 valued at the same price per kilowatt-hour as Colton would charge for the baseline quantity
17 of electricity during that billing period, and if the number of kilowatt-hours generated
18 exceeds the baseline quantity, the excess shall be valued at the same price per kilowatt-hour
19 as Colton would charge for electricity over the baseline quantity during that billing period.

20 Colton shall provide Customer with Net Energy Metering consumption information on a
21 monthly basis. Such monthly update shall include the current accrued balance owed to
22 Colton for Net Energy Metering charges, or current accrued credits for Net Energy Metering
23 generation, whichever applies.

24 If Customer is a net producer of electricity over a normal billing cycle, any excess kilowatt
25 hours generated during the billing cycle shall be carried over to the following billing period
26 (up to a maximum of twelve consecutive months upon the anniversary of interconnection).

27 In the event the energy generated exceeds the energy consumed during the twelve-month
28 period, Colton shall retain any excess energy generated by Customer. In addition, no
payment will be made to Customer for the excess energy delivered to Colton's grid, unless
Colton enters into a written purchase agreement with Customer for that excess energy.

If Customer terminates service under this Agreement prior to the end of any twelve-month
period, Colton shall reconcile Customer's consumption and production of electricity and bill
Customer for Net Energy Metering charges, if any, and adjust the excess energy to zero, if
any.

If Customer is a net energy consumer during the applicable billing period, the Public
Benefits Charge that is applicable to Customer under Customer's OAT shall be calculated
based upon the sum of Customer's net energy consumption, monthly minimum charge
(including customer and service charge) and monthly demand charge for such billing
period.

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF COLTON**)

4 **CERTIFICATION**

5 **I, CAROLINA R. PADILLA**, City Clerk of the City of Colton, California, do
6 hereby certify that the foregoing is a full, true and correct copy of **RESOLUTION NO.**
7 **R-113-14**, duly adopted by the City Council of said City, and approved by the Mayor of
8 said City, at its Regular Meeting of said City Council held on the **16th day of December,**
9 **2014**, and that it was adopted by the following vote, to wit:

| | | | |
|----|----------|---------------|---------------------------------|
| 10 | AYES: | COUNCILMEMBER | Toro, Jorin, Navarro, Gonzalez, |
| 11 | | | Bennett, Suchil and Mayor |
| 12 | | | DeLaRosa |
| 13 | NOES: | COUNCILMEMBER | None |
| 14 | ABSTAIN: | COUNCILMEMBER | None |
| 15 | ABSENT: | COUNCILMEMBER | None |
| 16 | | | |

17 **IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official
18 seal of the City of Colton, California, this _____ day of _____, 20__.

19
20
21 _____
22 **CAROLINA R. PADILLA**
23 City Clerk
24 City of Colton

25 (SEAL)
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28