

Ordinance 2017-03

SHORT TITLE:

An ordinance amending and enacting new Provo City Code provisions regarding distributed generation (including solar generation) by residential customers of Provo City Power.
(16-093)

I

PASSAGE BY MUNICIPAL COUNCIL

ROLL CALL

DISTRICT	NAME	FOR	AGAINST	OTHER
CW 1	DAVID SEWELL	✓		
CW 2	GEORGE STEWART	✓		
CD 1	GARY WINTERTON	✓		
CD 2	KIM SANTIAGO	✓		
CD 3	DAVID KNECHT	✓		
CD 4	KAY VAN BUREN	✓		
CD 5	DAVID HARDING	✓		
TOTALS		7	0	0

This ordinance was passed by the Municipal Council of Provo City, on the 17th day of January 2017, on a roll call vote as described above. Signed this 26 January 2017.



Chair

II

APPROVAL BY MAYOR

This ordinance is approved by me this 31 January 2017.



Mayor

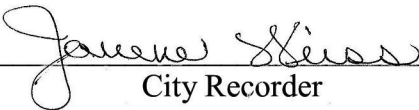
Ordinance 2017-03

III

CITY RECORDER'S CERTIFICATE AND ATTEST

This ordinance was signed and recorded in the office of the Provo City Recorder on the 31st day of January, 2017, with a short summary being published on the 21st day of January, 2017, in The Daily Herald, a newspaper circulated in Provo, Utah. I hereby certify and attest that the foregoing constitutes a true and accurate record of proceedings with respect to Ordinance Number 2017-03.





City Recorder

40 PART I:

41
42 Provo City Code Section 12.02.030. (Customer Deposits) is hereby amended as follows:

43
44 **12.02.030. Customer Deposits.**

45
46 (1) A person having a recent, verifiable record of two (2) continuous years of timely and
47 complete payments to Provo City (or any other utility company) for residential utility service(s)
48 shall not be required to pay a deposit to obtain residential electric service.

49
50 (2) A person who does not have a recent, verifiable record of two (2) continuous years of timely
51 and complete payments to Provo City (or any other utility company) for residential utility service
52 must pay a deposit to obtain residential electric service. The minimum deposit for each
53 residential electric meter shall be as shown on the Consolidated Fee Schedule adopted by the
54 Municipal Council. The minimum deposit may be increased to equal two (2) months' average
55 billing for customers who fail to make timely and complete monthly payments.

56
57 (3) A person applying for nonresidential electric service shall pay a deposit equal to the
58 reasonably anticipated cost of two (2) months' electric service, as determined by the Energy
59 Department, for each nonresidential electric meter.

60
61 (4) A person applying for nonresidential service shall not be required to provide a monetary
62 security deposit for utility service upon verification and approval by Provo City of acceptable
63 credit standing.

64
65 (5) A deposit made by a person described in Subsection (2) of this section shall be refunded after
66 the customer demonstrates for two (2) continuous years a record of timely and complete payment
67 of amounts correctly billed. A deposit made by a person described in Subsection (3) of this
68 section shall be refunded after the customer demonstrates for three (3) continuous years a record
69 of timely and complete payment of amounts correctly billed.

70
71 (6) Deposits may only be applied to the unpaid balance amount on closed-out accounts. Renewal
72 of deposits applied to closed-out accounts may be required as a condition of the reconnection of
73 electric service.

74
75 (7) In certain limited circumstances, set forth below, a residential account owner (the
76 “transferor”) that is eligible for a deposit exemption under Subsection (1), has already paid a
77 deposit under Subsection (2), or has already had a deposit refunded under Subsection (5) may
78 transfer that account’s deposit or deposit status to another account owner (the “transferee”). As
79 the result of the transfer of deposit status, the transferee shall not be required to pay a new or
80 additional deposit. Such a transfer may occur if:

81
82 (a) the transferee is the surviving spouse of a deceased transferor and applies for
83 residential service at the same physical address where the transferor received service;

84

- 85 (b) the transferee, as the result of a divorce or separation from a transferor to which the
86 transferee was or is married:
87
88 (i) applies for residential service at the same physical address where the
89 transferor received service; and
90
91 (ii) if the transfer involves a deposit that has been paid and not yet refunded, the
92 transferor consents to the transfer; or
93
94 (c) the transferor and transferee are both the same person who has moved from one
95 residence in Provo to another residence in Provo and is transferring the account to the
96 new residence.
97

98 PART II:
99

100 Provo City Code Section 12.03.080. (Generation or Transmission of Electricity by
101 Entities Other than Provo City) is hereby amended as follows:
102

103 **12.03.080. Generation or Transmission of Electricity by Entities Other than Provo City.**
104

105 (1) Electric energy may not be generated in Provo City without a license therefor.
106

107 (2) A license for the generation of electric energy less than 25kW by an entity other than Provo
108 City or an interlocal entity of which Provo City is a member may be issued by the Director of the
109 Energy Department. The applicant shall complete and submit the license application for
110 consumer generation to the Department. The Department shall have thirty (30) days to review
111 the license application and either issue a license or deny the license request. The Department's
112 denial of a license application may be appealed to the Mayor within thirty (30) calendar days
113 from the date written notice of denial is sent by the Department. The successful
114 applicant/licensee shall comply with the other requirements of this section prior to construction
115 or installation of any equipment necessary for the generation of electric energy. A license may be
116 issued if the Director finds the following:
117

118 (a) that the proposed activity will conform to all local, state and federal requirements
119 applicable to such activities;
120

121 (b) that the proposed activity will not result in any increased technical or financial burden
122 on the electric system or operations of the Department of Energy beyond that normally
123 associated with distributed generation facilities that are designed and installed in
124 accordance with industry standards; and,
125

126 (c) that the proposed activity will not be detrimental to the health, safety and general
127 welfare of the residents of Provo City or the employees of the Department.
128

129 (3) The Director may refuse to issue a license where the exercise of that power is not contrary to

130 applicable state or federal law.

131

132 (4) Each license shall be subject to the following regulations:

133

134 (a) Provo City may at any reasonable time inspect any facilities of the applicant/licensee
135 which are directly or indirectly used in the licensed activity.

136

137 (b) Provo City may impose any condition on the issuance or continuation of a license
138 which is necessary to:

139

140 (i) Maintain the integrity and reliability of the Provo City electric system; or,

141

142 (ii) Maintain the health, safety and general welfare of the residents of Provo City
143 or the employees of the Department in relation to the proposed activity.

144

145 (c) The violation of any condition imposed on the issuance or continuation of a license
146 shall be a basis for revoking the license to which it applies.

147

148 (d) Provo City may impose an initial fee and annual fees upon the licensee, the amount of
149 which may include all costs incurred by Provo City which are associated with the
150 licensing and regulatory functions described in this Section.

151

152 (e) The license is conditioned upon the licensee entering into the standard "Net Metering
153 Agreement" between the licensee and the City.

154

155 (f) The licensee shall adhere to the current "Net Metering Standards" adopted by the
156 Department. Any failure to comply with these standards will result in an immediate
157 suspension of the license and disconnection from the city's electrical system without
158 advanced notice to licensee. Within five (5) business days of the suspension and
159 disconnection, the Department shall issue written notice to the licensee who must remedy
160 the violation before the generation will be connected to the city's electrical system and/or
161 reinstatement of the license. The licensee shall be responsible for the Department's actual
162 costs to enforce this section.

163

164 (5) Residential service accounts licensed to generate electricity in Provo City that meet the
165 criteria in Subsections (5)(a) and (b) shall be governed by Subsection (5)(c):

166

167 (a) The account owner, as of October 4, 2016:

168

169 (i) was licensed under this Section;

170

171 (ii) had applied for a license under this Section; or

172

173 (iii) had executed with a company that installs distributed generation systems a
174 contract that obligated the account owner to purchase and install such a

175 system and the account owner meets all other requirements for issuance of a
176 license under this Section; and

177 (b) A residential account owner who meets the criteria in Subsection (5)(a) is
178 nevertheless eligible to be billed as described in Subsection (5)(c) only so long as:

180 (i) the system used to generate electricity is the same system that met the criteria
181 in Subsection (5)(a). If that system has been subsequently replaced, including
182 upgrades or repairs that essentially constitute a replacement of the system, the
183 account owner is no longer eligible;

184 (ii) the account owner is the same individual that met the eligibility requirements
185 in Subsection (5)(a) or meets the eligibility requirements to be a transferee in
186 Provo City Code 12.02.030(7)(a) or (b); and

187 (iii) the account owner is generating electricity at the same physical address that
188 met the eligibility requirements in Subsection (5)(a) or meets the eligibility
189 requirements to be a transferee in Provo City Code 12.02.030(7)(c). An
190 account owner generating electricity at a different physical address that meets
191 the requirement in this subparagraph only by virtue of Section 12.02.030(7)(c)
192 is only eligible if the account owner has physically moved the actual
193 generation system from the original physical address.

194 (c) Such accounts shall:

195 (i) be charged for the electricity that is received from the Department at
196 the rates set forth in the Consolidated Fee Schedule, as amended from time to
197 time by the Municipal Council, that are applicable to residential service
198 accounts generally or to a residential service class of which the account is a
199 part;

200 (ii) be credited for the electricity that is generated and transmitted to the
201 Department at the same rates that apply to the charges described in Subsection
202 (5)(c)(i);

203 (iii) carry over any total electricity credit resulting when the credits under
204 Subsection (5)(c)(ii) exceed the charges under Subsections (5)(c)(i) and (iv) to
205 successive billing cycles until the billing cycle that includes February 28th in
206 any year, at which time any remaining credit shall lapse; and

214

215 (iv) be subject to all other charges, fees, and rates set forth in the Consolidated Fee
216 Schedule, as amended from time to time by the Municipal Council, that are
217 applicable to residential service accounts generally or to a residential service
218 class of which the account is a part.

219
220 (6) Residential service accounts licensed to generate electricity in Provo City that do not meet
221 the criteria in Subsection (5) shall:
222

223 (a) be charged for the electricity that is received from the Department at
224 the rates set forth in the Consolidated Fee Schedule, as amended from time to time by
225 the Municipal Council, that are applicable to residential service accounts generally or
226 to a residential service class of which the account is a part;
227

228 (b) be credited for the electricity that is generated and transmitted to the Department at
229 the rate defined for the crediting of residential electricity generation in the
230 Consolidated Fee Schedule, as amended from time to time by the Municipal Council;
231

232 (c) carry over any total credit resulting when the credits under Subsection (6)(b) exceed
233 the charges under Subsections (6)(a) and (d) to successive billing cycles until the
234 billing cycle that includes February 28th in any year, at which time any remaining
235 credit shall lapse; and
236

237 (d) be subject to all other charges, fees, and rates set forth in the Consolidated Fee
238 Schedule, as amended from time to time by the Municipal Council, that are applicable
239 to residential service accounts generally or to a residential service class of which the
240 account is a part.

241
242 ~~(57)~~ This Section shall be interpreted in a manner consistent with the provisions of applicable
243 state and federal law.
244

245 ~~(68)~~ This Section shall not apply to the generation or transmission of electric energy by Provo
246 City or any interlocal entity of which Provo City is a member.
247

248 ~~(79)~~ This Section shall not apply to the temporary generation of electric energy for emergency or
249 standby purposes, except as noted below.
250

251 (a) All emergency or standby generation shall not be interconnected with Provo City's
252 power system at any time. A positive, physical means of transferring and separating loads
253 between normal and alternate sources of supply must be used to prevent inadvertent
254 interconnection.
255

256 (b) All emergency or standby generation shall comply with the provisions of the latest
257 revision of the National Electric Code.
258

259 (10) Nothing in this Section shall be construed to mean that the Municipal Council may not
260 amend, enact, or repeal any provision of the Provo City Code or any portion of the Consolidated
261 Fee Schedule so as to create, modify, or terminate any fee, rate, charge, service class, rate
262 schedule, or rate structure for electrical service, including, but not limited to, implementing
263 entirely new ways of monitoring and charging for the use of the Department's electrical service
264 and/or electrical system. Unless specifically and expressly provided otherwise, any such changes
265 shall be applicable to every service account affected by the terms of the change.
266

267 PART III:

268
269 The Consolidated Fee Schedule is amended as follows:

270
271 ...

272
273 **ENERGY**

274
275 ~~AS OF JUNE 1, 2013, ENERGY CHARGES SHALL BE AS FOLLOWS:~~

276 **Monthly Rates and Fees**

277
278 **Schedule No. 1**

279
280 **Residential – EL1, EL3**

281

282 Customer Service Charge	\$6.57 per connection
283	
284 Energy Charge	\$0.0877 per 1st 500 kWh
285	\$0.1019 per 501 - 1,000 kWh
286	\$0.1209 per additional kWh

287
288 Credit for Residential \$0.06742 per kWh

289 Electricity Generation
290 ...

291
292 PART IV:

293
294 A. If a provision of this ordinance conflicts with a provision of a previously adopted
295 ordinance, this ordinance shall prevail.

296
297 B. This ordinance and its various sections, clauses and paragraphs are hereby declared to be
298 severable. If any part, sentence, clause or phrase is adjudged to be unconstitutional or
299 invalid, the remainder of the ordinance shall not be affected thereby.

300
301 C. The Municipal Council hereby directs that the official copy of the Provo City Code be
302 updated to reflect the provisions enacted by this ordinance.
303

304 D. This ordinance shall take effect on March 31, 2017 after it has been posted or published
305 in accordance with Utah Code 10-3-711, presented to the Mayor in accordance with Utah
306 Code 10-3b-204, and recorded in accordance with Utah Code 10-3-713.
307

308 END OF ORDINANCE.