



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 79
AGENDA DATE: Thu 05/27/2004
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SUBJECT: Conduct a public hearing and amend the Electric Rate Schedule in Exhibit A of Ordinance No. 030908-4 to add a Distributed Generation from Renewable Sources Rider for customers who own and operate on-site generating systems powered by renewable resources and that produce 20 kilowatts (kW) or less (this proposed rider would establish rates and terms and conditions for renewable generation interconnected with the Austin Energy system).

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Bob Kahn, Assistant City Attorney/ 322-6572; Roger Duncan, VP Governmental Relations, Energy & Environmental Policy/ 322-6157

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

Austin Energy's Strategic Plan, adopted by the City Council on December 4, 2003, states that Austin Energy will first seek renewable energy and conservation solutions to meet customers' new energy needs. One such solution is distributed generation from renewable sources. Austin Energy developed an electric rate rider for residential and commercial customers who wish to own and operate on-site generation systems capable of producing 20kW or less and powered by renewable resources. This rider also applies to customers who participate in the Austin Energy Solar Rebate Program.

Under this rider, the customer will continue to receive electric service from Austin Energy under the appropriate electric rate tariff. The customer is responsible for complying with Austin Energy's technical requirements for distributed generation interconnection for facilities under 20kW, all the costs of interconnecting with the system, and agrees to remain on the rider for a minimum of one year. The customer's meter will register the flow of energy in two directions (net metering). If in any month the customer's generation system provides more energy to the City's electric system than Austin Energy provides the customer, the customer will receive a credit. The credit for the net kilowatt hours delivered will be computed at the current "Fuel Adjustment Clause" rate and will be applied to the customer's utility bill.

Because of the rapid changes in distributed generation technology and its potential impact on the City's electric system, Austin Energy will consider whether any changes should be made to this proposed rider when the distributed generation capacity on the system exceeds 1% of the City's system capacity.



Electric Utility Commission

April 19, 2004

Meeting

Amend Exhibit A of Ordinance No. 030908-4 to add a Distributed Generation from Renewable Sources Rider to the Electric Rate Schedule for customers who own and operate on-site generating systems that produce 20kW or less and are powered by renewable resources.

Motion by: Fath

Seconded by: LeGette

Ayes: Fath, LeGette, Sarma, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: Fernandez

Absent: Owens

The motion passed on a 5 – 0 vote.

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ORDINANCE NO. _____

**AN ORDINANCE AMENDING THE ELECTRIC RATE SCHEDULE IN
EXHIBIT A TO ORDINANCE NO. 030908-04, TO ADD A DISTRIBUTED
GENERATION FROM RENEWABLE SOURCES RIDER.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Electric Rate Schedule in Exhibit A of Ordinance No. 030908-04 is amended to add the following:

**CITY OF AUSTIN
ELECTRIC RATE SCHEDULE
DISTRIBUTED GENERATION FROM RENEWABLE SOURCES RIDER**

Application:

This Rider is available to any retail customer receiving electric service under a City of Austin electric rate schedule who owns and operates an on-site generating system powered by a renewable resource capable of producing not more than 20 kW of power, and who interconnects with the City of Austin's electric system. Renewable energy technology is any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, on wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources. This Rider applies to a customer-owned generating system that primarily offsets part or all of the customer's electric service provided by the City of Austin.

Conditions of Service:

1. All charges, character of service, and terms and conditions of the City of Austin Electric Rate Schedule under which the customer receives service apply except as

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expressly altered by this Rider.

2. The customer shall comply with the current City of Austin technical requirements for distributed generation interconnection for facilities under 20 kW and any revisions to the requirements. The customer shall obtain approval from the City of Austin before the customer energizes the customer's on-site generating system or interconnects it with the City of Austin's electric system. If the customer is a participant in the Austin Energy Solar Rebate Program, the customer shall comply with the guidelines of the program. The customer shall submit to the City a completed interconnection application form and signed agreement. The minimum term of an agreement under this Rider is one year, extended automatically unless terminated by either party with sixty days written notice. If the customer is a participant in the Austin Energy Solar Rebate Program, the minimum term of the agreement is the period required by the Program.
3. The customer is responsible for the costs of interconnecting with the City of Austin's electric system, including transformers, service lines, or other equipment determined necessary by the City for safe installation and operation of the customer's equipment with the City's system. The customer is responsible for any costs associated with required inspections and permits.

Metering:

Metering under this Rider shall be performed by a single meter capable of registering the flow of electricity in two directions (delivered and received) to determine the customer's net energy flow.

Rate:

1. In a billing month after a customer receives approval to interconnect the customer's on-site generating system from the City of Austin, if the energy delivered by the customer's approved system to the City of Austin's electric system exceeds the amount of energy delivered by the City of Austin to the customer, the City shall credit the customer's account for the energy generated as described below.
2. The monthly credit, if any, is calculated as follows:
 - a. Except as provided in paragraph b., each kWh delivered from the customer's approved system to the City of Austin's electric system in excess of the kWh

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delivered by the City of Austin is multiplied by the Fuel Rate as adjusted by the appropriate multiplier in the then current Fuel Adjustment Clause of the Electric Rate Schedule.

- b. If the customer participates in the GreenChoice® program, each kWh delivered from the customer's approved system to the City of Austin's electric system in excess of the kWh delivered by the City of Austin is multiplied by the appropriate Green Power Charge.

3. Any credit shall be applied to the utility charges due from the customer to the City of Austin.

PART 2. This ordinance takes effect on _____, 2004.

PASSED AND APPROVED

_____, 2004

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Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Brown
City Clerk