

**CITY OF MILFORD
NOTICE OF ORDINANCE ADOPTION**

NOTICE IS HEREBY GIVEN that the following ordinance was adopted during a meeting of Milford City Council on November 28, 2022:

Ordinance 2022-43
Electric Tariff Amendment
Appendix B of the City of Milford Code
Section 24-13. NET METERING SERVICE

WHEREAS, the Code of the City of Milford Appendix B Electric Rules and Regulations establishes Rules and Regulations for the distribution and delivery of electric service on the City of Milford's electric system; and

WHEREAS, Senate Bill 298, signed into law in July 2022, amends provisions in Title 26 of the Delaware Code, Section 1014, related to the rules and regulations promulgated by the Public Service Commission, municipal electric companies, and electric cooperatives related to net metering; and

WHEREAS, the statute creates a need to amend the City of Milford Electric Tariff by eliminating the reimbursement of excess generation at the end of an annual period, discontinuing any rollover, and zeroing out excess solar at the end of the annualized billing cycle, and standardizing the net metering cap calculation across utilities with an increase from 5% to 8%; and

WHEREAS, these changes are intended to support and encourage solar development in an equitable manner for future solar customers, protect customers from aggressive oversized system sales, and mitigate the financial and operational risks that the City of Milford and other electric utilities are confronting due to excess generation that frequently leads to the restriction an/or denial of new solar applications to ensure the maintenance of a safe and reliable system.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. The City of Milford Electric Tariff shall be amended to coincide with Senate Bill 298 and provisions of Title 26 Section 1104 of the Delaware Code.

Section 2. Section 24-13 entitled Net Metering Service is hereby amended with strikeouts indicating matter stricken and underlined text as newly added language.

24-13. NET METERING SERVICE

1. AVAILABILITY

This Net Metering Service (NMS) Rider is available to all Customers, including all Farm Customers, who own their renewable power generation resource(s) (Customer Generator). The primary intent of this installation is to offset part or all the Customer's own electricity requirements. Capacity under the NMS Rider cannot be more than 25 kilowatts for Residential Customers, 100 kilowatts for Farm Customers or usage for farming activities and 500 kilowatts for all other non-Residential Customers. The primary source of fuel must be solar, wind, hydro, fuel cell, gas from anaerobic digestion of organic material or another approved source of renewable energy which must be located at the Customer's premises for which the Customer is using the NMS Rider. The NMS Rider is applicable to a Customer-Generator interconnected and operated in parallel with the City's transmission and/or distribution facilities. Application for the installation of a Customer Generator system in excess of the above specified limitations, but not to exceed 2 megawatts, may be considered at the City's sole discretion and shall be made under a special contract.

Any Customer who elects the NMS Rider must apply by filling out the Generation Interconnection Application at least 60 days in advance of the proposed activation date. Approval of the application by the City must be granted prior to activation of the electric generation facility.

~~If the total generating capacity of all Customer Generators using NMS served by the City exceeds five percent (5.0%) of the capacity necessary to meet the City's aggregated Customers monthly peak demand for a particular calendar year, the City may elect not to provide the NMS to any additional Customer-Generators should the total generating capacity exceed the threshold outlined in Title 26 of the Delaware State Code.~~

2. APPLICATION FOR THE NMS RIDER

Any Customer who elects the NMS Rider must apply by filling out the Generation Interconnection Application at least 60 days in advance of the proposed activation date. The Application must include the generator size, type, manufacturer, and manufacturer specifications of all components of the electric generation facility. Approval of the application by the City must be granted prior to activation of the Customer Generator.

3. CONNECTION TO THE CITY'S SYSTEM

A. The Customer Generator cannot be connected to the City's system unless it meets all applicable safety and performance standards set forth by the following: The Technical Considerations Covering Parallel Operations of Customer Owned Generation dated January 1, 2007, National Electric Safety Code, Underwriters Laboratories, Institute of Electrical and Electronic Engineers, North America Electric Reliability Council ("NERC") and the City's Electric Service Handbook. Special Attention should be given to the National Electric Code Sections 690 and 705. The Customer must, at his expense, obtain any and all necessary permits, inspections, and approvals required by any local public authorities and any other governing regulations in effect at that time. All the interconnection with the City's System shall be either done by the City or approved by the City.

B. The Customer Generator must be installed and configured so that parallel operation must cease immediately and automatically during system outages or loss of the City's primary power supply. The Customer must also cease parallel operation upon notification by the City of a system emergency, abnormal condition, or in cases where such operation is determined to be unsafe, interferes with the City's supply of service to other Customers, or with the operation or maintenance of the City's system. Customer Generator system and equipment that comply with the above listed codes and standards shall be deemed to have generally complied with these requirements.

1. If it is necessary for the City to extend or modify portions of its systems to accommodate the delivery of electricity from the Customer Generator, such extension or modification shall be performed by the City at the Customer's expense. For new Customers, such expense shall be determined by the difference between the total cost and the investment the City would make to install a normal service without the Customer Generator.

C. ~~In the event that a net-metering customer abandons the property where the energy generating equipment is located, the equipment may remain connected to the electric distribution system, unless the equipment presents a risk to the safety and reliability of the electric distribution system.~~

4. DELIVERED VOLTAGE

The delivered voltage and delivery point of the Customer Generator shall be at the same delivered voltage and delivery point that would be supplied by the City if the Customer purchased all of its electricity from the City.

5. CONTRACT TERM

The contract term shall be the same as the Customer's applicable Rate Schedule or Service Classification.

6. RATE

- A. The monthly billing shall be as stated in the Rate Schedule applicable to the Customer. Under the NMS Rider, only the per kWh charge component billed for electricity delivered by the Customer is affected. The Customer will pay for all kWh delivered by the City to the Customer. If the Customer has delivered electricity to the City system, the City will provide for Customers to be credited in kilowatt hours valued at an amount per kilowatt hour equal to the sum of Delivery Service charges and Supply Service charges for Residential Customers, and the sum of the volumetric energy (kWh) components of the Delivery Service charges and Supply Service charges for non-Residential Customers for any excess energy production of their generating facility that exceeds the Customer's on-site consumption of kWh in a billing period. Excess kWh credits shall be credited to subsequent billing periods to offset a Customer's consumption in those billing periods. ~~At the end of the calendar year, a Customer may request a payment from the City for any excess kWh credit. The payment will be calculated by multiplying the excess kWh credits by the Supply Service rate applicable to the Customer. The Customer generator retains ownership of Renewable Energy Credits (REC) associated with electric energy produced and consumed by the Customer-generator. Disposition of excess kWh Credits at the end of the annualized billing period shall be in accordance with Delaware State Code.~~
- ~~B. ~~Supply Service Charge and Supply Service Rate~~— This charge shall be used at the end of an annualized billing period in a calculation to pay Net Energy Metering ("NEM") customers who request payment for any regulatory defined and eligible excess kWh credits. The payment for residential customer accounts shall be calculated by multiplying the excess kWh credits by the Customer's Supply Service Charges from the first block of Supply Service Charges that would otherwise be applicable at the end of the Customer's Annualized Billing Period, excluding non-volumetric charges, such as the transmission capacity charge and/or demand charges.~~

7. METERING

An electric meter service will be installed at the Customer's location to measure the energy consumed and the energy delivered to the City system. The City will furnish, install, maintain, and own all metering equipment. Cost will be determined under the Additional Costs and Responsibilities clause below.

8. ADDITIONAL COSTS AND RESPONSIBILITIES

The Customer will be required to pay for any additional transmission and distribution costs, the cost of metering, transformation, system protection, and any related safety/protective equipment in excess of what would normally be paid for by the City. Protective equipment will be installed by the Customer to provide safety for personnel, provide adequate protection for the City's electric utility system and to the Customer's property, and to prevent any interference with the City's supply of energy to the City's Customers. This equipment will be owned, installed, and maintained by the Customer at its own expense.

9. FAILURE TO COMPLY

The City may disconnect the Customer Service from the City's electric system if the Customer fails to comply with any of the provisions of the NMS Rider. The City also retains the right to disconnect the Customer Generator if it interferes with the City's Service or ~~is~~ poses a safety or reliability risks to the City's electric system. The Customer shall also be responsible for all the penalties and costs caused by Customer's failure to comply with this Section.

10. RULES AND REGULATIONS

All the City's applicable Rules and Regulations shall apply to the Service rendered under this NMS Rider. All minimum billings, charges for kWh, kW, Purchased Power Cost Adjustment, General Cost Adjustment, Public Utility Tax, Renewal Energy Charge, etc. will be covered under the applicable Rate Schedule.

Section 3. Dates

Council Introduction: November 14, 2022

Public Comments & Council Determination: November 28, 2022

Effective: December 8, 2022

For additional information, please contact the City Clerk's Office at Milford City Hall, 201 South Walnut Street, Milford, DE or by e-mail at cityclerk@milford-de.gov.

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