# <u>Exhibit A</u>

#### PAROWAN CITY NET METERING POLICY Effective Date: July 1, 2019

Net metering is a billing arrangement where residential and business customers who produce their own energy from renewable sources can get a credit on their electric bills at the wholesale rate for the extra energy that flows back onto our distribution system.

### A-1: Availability:

Parowan City ("City") desires to encourage the use of Renewable Resources with Parowan City Electric Customers ("Customer") by making available a meter capable of providing the necessary accounting to allow the Customer to displace electric energy otherwise purchased from the City or to provide electric energy to the City ("Net Meter"). The Net Meter will be available to any electric Customer connected to Parowan City's electric distribution system provided that the Customer installs a solar, wind, or other City-approved renewable generation resource ("Renewable Resource") on the Customer's side of the meter, subject to the Application Provisions.

Parowan City desires to set a cap of 500 installed kilowatts (KW) of Renewable Resources allowed to connect to the City distribution system after which applications for connection will no longer be accepted.

Parowan City also desires to set a cap of 5 KW of installed resource for residential customers with a 200 amp or less rated service panel, and 10 KW of installed resource for residential customers with a service panel rated between 201 and 400 amps.

For business or commercial customer's the maximum allowed installed KW of Renewable Resource will be based on the average KW of the previous 12 months as read by Parowan City's meter. With the maximum installed resource being 10 KW.

#### A-2: Application Provisions:

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1. The Customer must contact Parowan City Power Representative to schedule a Renewable Resource orientation class and site inspection.

2. The Customer must make an application (Exhibit B) to Parowan City and receive approval from the City before installing an interconnected Renewable Resource on their property.

3. The Customer must obtain approval from the Historical Preservation Committee, if renewable resource is located within the jurisdictional boundary of the Parowan Historical Preservation District.

4. The Customer must obtain a building permit for Parowan City issued by the Iron County Building department and supply all information requested by Iron County Building Department.

Parowan City may withhold approval if for any reason the requested interconnection would result in a negative monetary or physical impact on the City's electrical system. The City may approve the agreement if there is no physical negative impact, but may freeze or terminate the rebate portion of this agreement at any time if it is determined to have an adverse monetary impact.

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By accepting this Net Metering Policy, the Customer hereby agrees to the following provisions:

- 1. The monthly electrical output of the Renewable Resource shall not be greater than 120% of the historical maximum monthly energy consumption the location of the Renewable Resource.
- 2. A Renewable Resource installed by the Customer shall include, at the Customer's expense, all equipment necessary to meet applicable safety, power quality and interconnection requirements established by the National Electric Code (NEC), National Electric Safety Code (NESC) and shall be manufactured and installed to interconnection standards that meet or exceed the Institute of Electrical and Electronics Engineers, Inc. ("IEEE") standard 1547 for Interconnecting Distributed Resource with Electric Power Systems and Underwriters Laboratories Inc. ("UL") standard 1741, Inverters, Converters and Controllers for use in Independent Power Systems.
- 3. The Customer shall be required to install a manual disconnect that is within 5 feet of the meter location, readily accessible by City personnel and outside of any fenced in area. The disconnect switch shall be lockable and shall be labeled as "Generation Disconnect or Solar PV Disconnect".
- 4. The City shall install and maintain a new revenue meter for the Customer, at the Customer's expense. In addition, any subsequent revenue meter change necessitated by the Customer, whether because of a decision to stop Net Metering or for any other reason, shall be an expense billed to the Customer at the applicable service rates.
- 5. By accepting this agreement the Customer releases to the City all renewable energy credits (RECs), solar renewable-energy credits (S-RECs) or other renewable attributes as appropriate based on actual on-site electric generation from the Renewable Resource.
- 6. The Customer will comply with all City service and utility billing requirements, including payments for applicable monthly electrical base rates and other utility billings, fees and taxes.
- 7. The Customer will comply with all installation requirements of the city and all building and electric codes of Iron County Building Department.
- 8. The Customer's facility used for Net Metering shall be equipped with metering equipment, which can measure the flow of electricity in both directions. For residential customer facilities less than 10 kilowatts (kW) in rated capacity, this shall be

accomplished through the use of a single, bi-directional electric revenue meter.

- 9. The City shall make Net Metering available to eligible customers on a first-come, firstserved basis. Single or multiple Net Metering connections to a City owned transformer, which create an imbalance that exceeds 20% of the nameplate, rating may be denied at the City's discretion or, if approved may require system upgrades including additional transformers or other system upgrades at the Customer's expense.
- 10. Net Metering connections to City facilities above the standard single phase 120/240 volt system shall be reviewed by the City under a separate review and approval process, which may include a system impact study. Renewable Resource connections to transmission lines within the City are prohibited.
- 11. If the net metering project is installed along with an energy storage system such as batteries, the project shall be subject to an independent review of the plans and interconnection. The Customer shall be responsible for all costs associated with such review.
- 12. If the Net Metering project requires special engineering studies as determined by the City, the Customer shall be responsible for all costs. An estimate of costs shall be provided by a licensed engineering firm as determined by the City and payment will be made by the Customer, to the City, for the estimated cost before the study is started. Final billing for the study will be trued up upon completion and the Customer shall be billed for any amount above, or their electric account credited, for any amount below the initial estimate.
- 13. The Customer shall be solely responsible for all work, and costs incurred, for installation and maintenance of the Renewable Resource. All modifications or improvements required to the City's electric system, due to the Customer's installation of facilities, shall be paid for by the Customer.

#### A-3: Inspection:

Upon approval and installation of a Renewable Resource, but before interconnection of the Net Meter, the City will inspect the Renewable Resource installation and interconnection and approve or disapprove the interconnection. The City will disapprove any final interconnection that is not fully compliant with all requirements rules and standards.

1. The City shall have the right to inspect the Customer's Renewable Resource during reasonable hours and with reasonable prior notice to the Customer. If the City finds that the Customer's Renewable Resource is not in compliance with the requirements of the City's interconnection rules and the standards set forth in this Policy, and noncompliance adversely affects the safety or reliability of the City's facilities or other customers' facilities, the City may require the Customer to disconnect the facility until compliance is achieved.

2. If the City disconnects the Renewable Resource, the Customer shall receive in a timely manner, a written explanation of the disconnection. The Customer shall have the right to correct the situation and petition the City to re-establish an interconnection.

# A-4: Energy Rates and Payments:

The Customer shall be subject to the following provisions for service under this Policy:

- 1. The City shall determine the net electricity produced or consumed by the Customer and the amounts to be billed to Customer during each billing period in accordance with the City's rates and metering practices, which may be amended from time to time
- 2. If the electricity supplied by the City exceeds the electricity generated by the Customer then the Customer shall be billed for the net electricity supplied by the City at the rate and with the customer charge(s) paid by other customers of the City in the same rate class as the Customer.
- 3. If the electricity generated by the Customer exceeds consumption and is distributed back to the City during the billing period, then the Customer shall be billed for the base rate paid by other customers of the City in the same rate class, and the city shall credit the Customer's current electric bill for kilowatt-hours at the wholesale rate of  $4\mathbb{C}$  per kilowatt-hour.
- 4. On the billing period ending in June 30<sup>th</sup> of each calendar year any remaining unused kilowatt-hour credit accumulated during the previous year shall be forfeited to the City without any compensation to the Customer-generator.
- 5. If a home with a Renewable Resource is sold, any remaining credits will be applied to the electrical billing for kWh consumption with any remaining unused credits above the total billing relinquished to the City.
- 6. Net Metering credit shall only be applied to offset part of or all of a Customer's own electrical requirements at a single metering point. Net Metering credit shall not be applied to multiple meters owned by a single customer at separate locations.
- 7. This agreement is between the electric Customer and the City. Nothing in this policy allows for the purchase or sale of energy produced by the Customer to or from a third party. Renewable Resources on rental units are not eligible for Net Metering under this policy.
- 8. If the home is sold, the home purchaser will be required to complete and sign their own Net Metering Policy Agreement (Exhibit C) if they desire to continue on the Net Metering rate. The home will revert back to the standard residential Rate until the Policy Agreement has been executed by the new home owner.
- 9. The City reserves the right to modify or amend this Policy, upon recommendation of the Parowan City Power Board.

# A-5: Liability:

The Customer shall be responsible for any damage caused by the Customer's Renewable Resource to the City's distribution system and other customer facilities. The Customer shall be

responsible for the installation and maintenance of applicable protection equipment, and for any damage caused by improper application, maintenance or faulty equipment. The City will not be liable directly or indirectly for permitting or continuing to allow an attachment of a Renewable Resource, or the acts or omissions of the Customer's Renewable Resource that cause loss or injury, including death, to any third party.

Application for the Customer's Net Metering, within a Home Owners Association (HOA), must be accompanied by a letter of approval of the Net Metering installation, signed by the Chairman of the board at the time of application. The letter must include a copy of the minutes showing a majority vote of approval. The City is not liable for any violation of existing CCR's within an HOA, related to the Customer's installation of a Renewable Resource.

The City, shall not be subject to any liability or damages due to the inability of the City to serve the Customer's load, due to lack of energy from either the City or the Renewable Resource.

Neither the City nor the Customer shall be subject to any liability or claims for damages due to the inability of equipment manufacturers or vendors to provide equipment or repairs essential for the safe operation of the system in a timely manner.

#### A-6: Forms:

Forms for the Net Metering program are available at the Parowan City office.

#### <u>Exhibit B</u>

### PAROWAN CITY NET METERING POLICY APPLICATION FOR INTERCONNECTION REVIEW

Please carefully read all of the following information. With the help of your Installation Contractor, fully complete the form for Solar Electric Equipment, as well as the Parowan City Net Metering Policy Agreement.

Customer Name: Customer Address:	Solar Electric Equipment Information:
Contact Name:	
Phone Number:	Fax Number:
Utility Account #:	Email:
A. EQUIPMENT INFO	RMATION:
Solar Electric Module Ma	anufacturer:
Module M	odel Number:
Power Rating per Module	E: DC Watts Number of Modules:
Total Array Output:	DC Watts (Number of Modules x Power Rating)
Inverter Manufacturer:	
Inverter Model Nu	umber:
Inverter's Continuous AC	C Rating: AC Watts
Number of Inverters:	
Total Inverter Output:	AC Watts
(Inverter Continuous AC	Rating x Number of Inverters):
Inverter's Peak Efficiency Solar Electric Array Loca	y: (Refer to manufacturer's peak efficiency rating) tion:RooftopPole Mount orGround Mount
Solar Electric Module Or	ientation: degrees (e.g., 180 degrees magnetic south)

Solar Electric Module Tilt: \_\_\_\_\_ degrees (e.g., flat mount = 0 degrees; vertical mount = 90 degrees)

Solar Electric Module Tracking: \_\_\_\_\_Fixed \_\_\_\_Single-axis \_\_\_\_Double-axis

Inverter Location: \_\_\_\_Indoor \_\_\_Outdoor Location

System Type and Mode of Operation:

- \_\_\_\_\_Utility interactive (parallel/capable of back feeding the meter)
- \_\_\_\_ Dedicated circuit, utility power as backup (transfer switch)
- \_\_\_\_ Stand-alone (system confined to an independent circuit, no utility backup)

A one-page site map and system single line must accompany this application. This document must indicate the location of the solar electric modules, the inverter, batteries (if any), lockable disconnect switch, and point of connection with the utility system. The installation address, current account number at that address, and the installer's name and telephone number must also be included on the one page site map.

Does this system include batteries or generator back up? \_\_\_\_\_ yes \_\_\_\_\_no If yes, there may be additional review required.

Total Installed System Cost: \$\_\_\_\_\_

# **B. PROPOSED INSTALLATION/INTERCONNECTION/SINGLE LINE:**

(The Customer is to provide a single line drawing as attachment for review and approval.)

### Exhibit C

### **Parowan City Net Metering Policy Agreement**

#### Term:

- 1. This Agreement becomes effective when executed by both parties and shall continue in effect until terminated by either party.
- 2. The Customer may cancel this agreement with not less than thirty (30) days written notice.
- 3. The City may cancel this Agreement if the customer is in breach of the Applicable Provisions or the customer Renewable Resource becomes unsafe or inactive for a period of six (6) consecutive months, or if the resource causes any damage or disruption to the utility system as determined by the city.

AGREED TO BY:

#### Net Metering Customer

Name
Title
Date
Signature
APPROVED BY:
Parowan City Corporation
Name
Title

Signature\_\_\_\_\_

Date\_\_\_\_\_

Once approved this application, one line drawing and agreement will need to be given to the Iron County building department for the review, inspection and approval process. Inspection fees will apply.