

**RESOLUTION NO. 2022-36**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING THE G1 ELECTRIC RATE RIDER FOR SELF-GENERATION CUSTOMERS AND AUTHORIZING THE ELECTRIC UTILITY DIRECTOR, OR HIS/HER DESIGNEE, TO EXECUTE INTERCONNECTION AGREEMENTS WITH SELF-GENERATION CUSTOMERS**

**WHEREAS:** The City of Ukiah ("City") provides electric utility services to residents and businesses in the City, and Ukiah Electric Utility is the City's publicly owned electric utility with the City Council providing local governance and oversight; and

**WHEREAS:** The California Public Utilities Code determined that the Net Energy Metering (NEM) rules set forth in 1995 created a subsidy for self-generation customers that was borne by other rate payers not participating in self-generation and capped the NEM structure to 5% of a utility's peak load; and

**WHEREAS:** In 2016, the California Public Utilities Commission established new rules for self-generation customers that were designed, in part, to correct the subsidy created by NEM rules; and

**WHEREAS:** The City reached the threshold cap of 5% of its peak load in July of 2021, with 1,743KW of customer installed rooftop solar; and

**WHEREAS:** The City wishes to ensure that customer-sited renewable, distributed generation continues to grow sustainably; and

**WHEREAS:** In accordance with the Ukiah City Code Division 4, Chapter 6, Sections 3950 through 3957, the City Council will hold a public hearing on June 1, 2022, to receive the City Manager's Report and consider adopting resolution to establish the G1 Rider for Self-Generation. Legal notices were published successfully in accordance with City Code section 3953; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Ukiah hereby adopts the Proposed G1 Rider, as set forth in Exhibit A.

**BE IT FURTHER RESOLVED** that the Electric Utility Director, or his/her designee, is authorized to execute interconnection agreements with self-generation customers.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Ukiah on the 1<sup>st</sup> day of June 2022, by the following roll call vote:

AYES: Councilmembers Orozco, Crane, Rodin, Duenas, and Mayor Brown  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
Jim O. Brown, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Kristine Lawler, City Clerk

## City of Ukiah Electric

### G1 - Rider for Self-Generation

#### **APPLICABILITY**

The Self-Generation G1 Rider applies to renewable generation facilities that are permitted, interconnected and operational on or after July 1, 2021. Systems installed and operational prior to July 1, 2021 will remain on the Net Energy Metering (NEM) rate.

An interconnected system requires

1. The generating facility be permitted and finalized,
2. An executed Interconnection agreement is on file with Ukiah Electric Utility Department, and
3. The interconnection agreement is current.

The G1 Rider provides the rules and rates for customer owned renewable self-generation facilities.

Prior to July 1, 2021, the self-generation rules and rates were under Net Energy Metering in accordance with California Public Utility Code 2827. The Utility Code 2827 acknowledged that NEM provided a subsidy between customers and set a NEM cap at 5% of eligible customers. The 5% cap has been met and the NEM rate is closed to new Self-Generation customers.

#### **G-1 Rider - Billing**

1. Ukiah Electric will measure:
  - a. Energy (kWh) delivered by the Utility,
  - b. Energy (kWh) received from the Customer and
  - c. Maximum demand (kW) of energy delivered or received.

Note: The customer's self-generation energy will provide an instantaneous offset of their load during times of self-generation.

2. Rate Schedules:
  - a. Energy Delivered by the Utility:  
Billed based on the applicable rate schedule approved by the Ukiah City Council.
  - b. Maximum Demand:  
Demand charges will be based on monthly maximum demand (kW) of energy delivered or received.
    1. Customers on rate schedules without a demand charge, will be billed as published in the E7 demand rate.
    2. Customers on rate schedules with a demand charge will be billed for a maximum demand based on the assigned rate schedule.

Note: Energy Demand (Demand): The maximum amount of energy used over a period of time, measured in kW, either delivered to or received from the generating facility through the metering point.

- c. Energy Received from the customer: Energy received will be valued based on Ukiah's non-firm energy cost as determined periodically by the Electric Utility Director. An energy credit can be used to offset positive charges of the utility bill on a monthly basis.
- 3. The customer will be billed monthly for:
    - a. Fixed charges related to the customer's applicable rate schedule.
    - b. Taxes and minimum charges, as applicable.
    - c. Energy (kWh) delivered by the Utility,
    - d. Maximum demand (kW) of energy delivered or received, and
    - e. Energy Received from the customer credited at the G1 Rider (3c above).
  - 4. Renewable energy credits (RECs) associated with the self-generated energy shall be the property of the City. (Subject to #5 below)
  - 5. A renewable electrical generation facility may be eligible for certification as a renewable energy resource as defined by the California Energy Commission (CEC). The CEC's most current Renewable Portfolio Standard Eligibility Guidebook shall be used for providing the technical definitions of a renewable electrical generation facility. The customer may install the appropriate REC tracking metering, approved by the California Independent System Operator (Cal-ISO) and be compensated by the City for the RECs Received from the customer. The customer is responsible for the initial energy certification and any on-going maintenance costs.

**SPECIAL CONDITIONS:**

- A. Generation Agreement: A fully executed Interconnection Agreement (IA) between the City and the customer is required for service under this schedule.
- B. Fees: Connection/upgrade fees may apply to establish interconnection and service.