ORDINANCE NO. 7
SERIES 2019


WHEREAS, the City Council is empowered and directed by the City of Gunnison Municipal Home Rule Charter to fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the electric utility, as set forth therein; and

WHEREAS, pursuant to C.R.S. §40-2-124, the City of Gunnison shall allow a customer-generator’s retail electricity consumption to be offset by the electricity generated from eligible energy resources on the customer-generator’s side of the meter that are interconnected with the facilities of the municipally owned utility; and

WHEREAS, the provision of financial credits encourages the continuing development of alternative energy sources which enhances the community’s resiliency in terms of energy sources and further enhances the sustainability goals of the City Council of the City of Gunnison; and

WHEREAS, clarification is necessary for certain provisions of the existing Photovoltaic and wind service pilot program, commonly referred to as the Net Metering Policy; and

WHEREAS, based on the foregoing, the City Council finds offering rates to customers participating in the net metering program serves a utility purpose beneficial to all residential electric service customers and such rates are reasonable, fair and non-discriminatory in relation to benefits realized across the electric distribution system; and

WHEREAS, the City Council of the City of Gunnison, through its Electric Enterprise desires to set a rate schedule that both recognizes the generation of electricity from such systems and recovers costs associated with provision of electricity when such systems are not generating electricity; and

WHEREAS, staff has recommended changes to certain definitions contained in Section 12.40.010, the electrical rates set forth in Section 12.40.020(A), and Section 12.40.040, to accomplish the purposes set forth herein; and

WHEREAS, staff has recommended adoption of provisions in Section 12.40.050, to accomplish the purposes set forth herein;

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AS FOLLOWS:

Section 1. Section 12.40.010, Definitions, of the City Code of the City of Gunnison, is hereby amended to read as follows:

N. “Net metering” means a system in which solar photovoltaic panels or wind turbines on an electric retail customer’s property are interconnected to a public-utility power grid and surplus power is transferred onto the grid, allowing customers to offset the cost of power drawn from the utility.

Section 2. Section 12.40.010 R. Definitions, “Photovoltaic or wind pilot program” of the City Code of the City of Gunnison, is hereby deleted in its entirety.

Section 3. The electrical rates as set forth in Section 12.40.020(A), Rate Tables, Electrical Rates, of the City Code of the City of Gunnison, are hereby amended to read as follows:
### Electrical Rates

**Residential:**
- **Monthly Service Charge**
  - Flat Rate: $14.75
  - Time of Day Rate: $19.25
- **Usage Charge**: $0.08430 /kWh
- **Time of Day Rate**
  - On-Peak: $0.10260 /kWh
  - Off-Peak: $0.05010 /kWh

**Commercial:**
- **Monthly Service Charge**: $25.00
- **Usage Charge**: $0.08700 /kWh

**City Government Service:**
- **Monthly Service Charge**: $25.00
- **Usage Charge**: $0.08700 /kWh

**Western State College:**
- **Monthly Service Charge**: $95.00
- **Usage Charge**: $0.05840 /kWh
- **Demand Charge**: $9.50 /kW

**Contract Lights:**
- **Monthly Charge**: $10.15
- **Wind Power**: $1.70 /100 kWh per month
- **Net Metering Fee**: $2.50 per month
- **Wholesale Rate**: $0.03825/kWh

**2019 Rates**

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### Section 4

Section 12.40.040, "Photovoltaic and wind service pilot program and rate schedule." of the City Code of the City of Gunnison, is hereby deleted and replaced in its entirety as follows:

#### 12.40.40 Net Metering Program.

A. **Applicability.** The Net Metering Program is applicable to residential and commercial electrical customers who install eligible solar photovoltaic or wind turbine (PV-W) systems less than or equal to 25kW, whose electric service is supplied by the City of Gunnison. All customers taking advantage of this Program shall be located within the City of Gunnison’s service territory.

B. **Standards of Interconnection.** All customers taking advantage of this Program shall agree to the Policy and Guidelines for Interconnection for Parallel Installation and Operation of Customer-Owned Renewable Electric Generating Facilities.

C. **Metering Ownership.** The City of Gunnison shall, at its sole discretion, provide, own, operate, and maintain all meters and metering equipment necessary to measure both the energy supplied by the City of Gunnison and the energy produced by the PV-W system. The City of Gunnison reserves the right to utilize measurements from its meter of the energy produced by the PV-W system for billing the unit’s productions.

D. **Measurement Period.** The Measurement Period referred to in this section is April 1 to March 31 of the following year.

E. **Grandfathering.** All customers who have photovoltaic systems operating prior to September 8, 2015 whose generation exceeds their consumption...
from April 1, 2018 through March 31, 2019, may continue to operate under the terms of Ordinance No. 10, Series 2003. Any increase in the size (kW) of their system, replacement or upgrade of the system, or ownership changes for the property served by the system, shall require the customer to operate under the terms of this Ordinance.

F. Fees and Reimbursement. Fees referenced in this Net Metering Program shall be set according to the rate tables in GMC 12.40.020(A), and amended from time to time as determined by the City Council of the City of Gunnison. Customers shall be charged fees and receive reimbursements as follows:

1. Customers will be billed the Monthly Service Charge for each month, even in months when negative or no net electric consumption by the customer results.

2. The City of Gunnison will charge the customer an additional Net Metering Fee per month for administrative expenses and additional meter costs that are incurred over that of a typical meter.

3. Generation offsets consumption of the PV-W system at the Retail Rate. If customer consumption, taking into consideration prior month rollover credits during the Measurement Period, is greater than the PV-W system production, the customer shall pay for that electric use at the retail rate established in GMC 12.40.020(A) on a monthly billing.

4. When net metering is negative, such that the PV-W system production is greater than the customer’s consumption in any month, the excess will be carried forward for use during the subsequent month(s) during the Measurement Period.

5. In the event that such negative kilowatt-hour balance remains after the Measurement Period, the City of Gunnison will credit the customer for such negative balance at the City of Gunnison’s Wholesale Rate.

Section 5. Should any section, clause, phrase, or provision of this ordinance be ruled invalid or unenforceable by any court of competent jurisdiction, it is hereby declared the intent of the City Council of the City of Gunnison, Colorado, that the remaining provisions of this ordinance shall be given full force and effect if it is possible to do so.

INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 14th day of May, 2019, on first reading, and introduced, read, and adopted on as revised on second and final reading this 28th day of May, 2019.

[Signature]
Mayor

[Signature]
City Clerk

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