

**RESOLUTION NO. 10-024**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, "CITY", GRAHAM COUNTY, ARIZONA FOR APPROVAL OF A POLICY ON NET METERING.**

**WHEREAS**, The City of Safford owns and operates a municipal electric system;  
and

**WHEREAS**, The City desires that a net metering policy be adopted in order to allow customers the option to enroll in the net metering program as proposed in Exhibit A ("Net Metering Policy") as attached hereto; and

**WHEREAS**, The City's adoption of a Net Metering Policy is to establish participation in a renewable energy option to provide an economic and feasible way for residential and business customers to produce part of the electricity they consume instead of purchasing it all from the City;

**WHEREAS**, The City has caused to be written a policy prepared by Staff concerning the reasons that a Net Metering Policy is desirable at this time as it will empower customers to manage their electricity usage by storing excess power on the City's grid for use at a later time, lower the utility system peak demand, promote small-scale renewables and reduce customers' bills; the City finds the policy to be well founded and applicable to the City's circumstances; and

**NOW THEREFORE BE IT RESOLVED**, by the Mayor and City Council of the City of Safford that a Net Metering Policy be adopted and approved as listed in Exhibit A attached and incorporated herein; and that Staff is additionally directed to develop appropriate interconnection agreements and associated service agreements consistent with the Net Metering Policy and Resolution adopted herein.

**PASSED, ADOPTED, AND APPROVED** by the Mayor and City Council of the City of Safford this 10<sup>th</sup> day of May, 2010.

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Ronald M. Green  
Mayor

ATTEST:

APPROVED AS TO FORM:

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Georgia Luster, MMC  
City Clerk

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William J. Sims  
Interim City Attorney

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Resolution Number 10-024 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a regular meeting held May 10, 2010, and that a quorum was present at the meeting.

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Georgia Luster, MMC, City Clerk

\_\_\_\_\_  
Date:



## **City of Safford Net Meter Policy**

### **Exhibit “A”**

The City of Safford’s Net Metering Program offers the potential for the City’s customers to realize financial benefits from installing renewable energy systems so that customers will be able to offset the cost of electricity they buy from the City.

The City’s customers are encouraged to participate in expanding renewable energy in Arizona. The net metering option will allow the City’s customers to help reduce their monthly cost of energy by generating a portion of their power; it may also help to increase the reliability of the City’s grid and to increase the production of power at times of peak usage when the City’s purchased power costs may be higher.

#### **Definitions**

**Customer-generator facility** – The equipment used by a customer-generator to generate, manage, monitor and deliver electricity to the Electric distribution system.

**Electric distribution system** – That portion of an electric system which delivers electricity from transformation points on the transmission system to points of connection at a customer’s premises.

#### **Net metering general provisions:**

Net metering is accomplished using a single bi-directional meter. Any customer net excess generation (NEG) will be carried over to the customer's next bill at the utility's retail rate, as a kilowatt-hour (kWh) credit. System must be sized to meet all or part of customer’s electric load and may not exceed 125% of the customer’s total connected load. If a customer-generator supplies more electricity to the electric distribution system than the city of Safford delivers to the customer-generator in a given billing month, the city of Safford shall credit the customer-generator for the excess on a kilowatt-hour for kilowatt-hour basis. The City of Safford shall reduce the customer-generator's bill for that billing month to compensate for the excess electricity produced by the customer-generator. At the end of the calendar year (December 31), any credit balance, carried from month to month will not be carried forward or otherwise credited to the customer’s account.

#### **Installation & Equipment Specifications:**

The Customer must be pre-approved for enrollment in the Net Metering Program by submitting plans, providing equipment specifications and proposed coordination with the City electric division supervisor.

If the City’s customers should elect to enroll in the City’s Net Metering Program and return power to the Safford grid, they will be required to install equipment that will match the City’s frequencies as to not harm the Safford equipment or system. The customer shall be required to sign any and all interconnection agreements and/or service agreements, adhere to the City’s electric service specifications, the City’s Code, all pertinent City Resolutions, the National Electrical Code, the National Electric Safety Code, and any guidelines that the City deems necessary to enroll in the City’s Net Metering Program.

Customer must use a licensed AZ contractor qualified to perform this work. Eligible license classifications include: (C-05, C-11, L-05, L-11, K-05, and K-11). The City of Safford shall not be held liable for any damages or other problems resulting from the generating facility or installation to the generating facility.

Generating facilities must be permitted and inspected prior to connection with the distribution system as required by state and local codes and regulations.

Customer shall be responsible for the design, installation, construction, operation, and maintenance of the generating facility in accordance with manufacturers' requirements, all applicable codes and laws, and the requirements of all governmental agencies having jurisdiction. The city of Safford does not warrant or guarantee the amount of energy, energy savings, or product reliability.

The customer will be required to install switch gear and protective equipment that will prevent back feed into the Safford system in order to maintain system safety. Such measures will also provide safety to the City of Safford employees and/or any designated contractor working on the Safford electric system.

The customer will also be required to purchase a meter designated by the City of Safford, which may include a bi-directional meter, that will accurately meter the power the City provides to the customer, and what the customer provides itself and the City.

**Environmental Attributes:**

In exchange for the option to receive credits from the city of Safford for excess energy produced by the generating facility, the customer shall transfer and deliver to the city of Safford all Environmental Attributes and Environmental Attribute Reporting Rights as defined below, associated with the generation of energy by the generating facility. If the generating facility is owned by a Third Party, customer shall require the Third Party to transfer and deliver to the city of Safford all Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of energy by the generating facility. This provision shall survive the termination of this agreement and any subsequent sale(s) of the generating facility.

Environmental Attributes shall mean any and all fuel, emissions, air quality, or other environmental characteristics, including green energy tags, renewable energy credits, or certificates attributable to the metered output from the generating facility during the operational life of the generating facility and in which the customer or Third Party owner has property rights or will have property rights upon such attributes coming into existence.

Environmental Attributes Reporting Rights shall mean all rights to report ownership of the Environmental Attributes to any person or entity under section 1605 (b) of the energy policy act of 1992, any successor or replacement statutes, or otherwise.