



Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: January 23, 2012

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING SECTION 13.04.177 OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, TO CONFORM TO RECENT CHANGES TO SECTION 2827 OF THE CALIFORNIA PUBLIC UTILITIES CODE

TITLE OF PROPOSED ORDINANCE

THE TITLE OF THE PROPOSED ORDINANCE IS "AN ORDINANCE OF THE CITY OF PASADENA AMENDING SECTION 13.04.177 OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, TO CONFORM TO RECENT CHANGES TO SECTION 2827 OF THE CALIFORNIA PUBLIC UTILITIES CODE".

PURPOSES OF THE ORDINANCE

The City Council directed the preparation of this ordinance on November 7, 2011. SB 489, adopted last term by the California Legislature, amended section 2827 of the California Public Utilities Code relating to net energy metering requirements for renewable electricity generators which interconnect to the city's electrical distribution system. Previously, net energy metering requirements only applied to solar or wind generating facilities. This is reflected in the current Section 13.04.177 of the Pasadena Municipal Code.

SB 489 expands eligibility for net energy metering to any generating facility which utilizes a renewable source as defined by state law. It is therefore necessary to amend the Municipal Code to conform to the Legislature's expanded net energy metering eligibility requirements.

MEETING OF 01/23/2012

AGENDA ITEM NO. 8

SB 489 also increases the amount of generating capacity which PWP must make available for net energy metering. PWP must make available net energy metering to eligible customer-generators until the time that the total rated generating capacity used by eligible customer-generators exceeds 5% (formerly 2.5%) of PWP's aggregate customer peak demand. It is therefore necessary to amend the Municipal Code to conform to the new aggregate cap.

REASONS WHY LEGISLATION IS NEEDED

An ordinance is the necessary and proper means to amend Section 13.04.177 of the Pasadena Municipal Code.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

Residential, commercial or industrial customers which operate renewable electrical generation facilities will be eligible to participate in the department's net energy metering program provided they meet all state law requirements. These requirements, which are set forth in current section 13.04.177 A.1 of the Pasadena Municipal Code, include the following: the facility must be located on the customer's owned, lease, or rented premises; the facility must have an capacity of no more than one megawatt; the facility must be intended primarily to offset part or all of the customer's own electrical demand; the facility must operate in parallel with the city's electrical system; and the customer must enter into an interconnection and metering agreement with the department.

Customers who already have entered into interconnection and metering agreements with PWP for their solar and wind generating facilities will not be affected by the proposed amendment.

FISCAL IMPACT

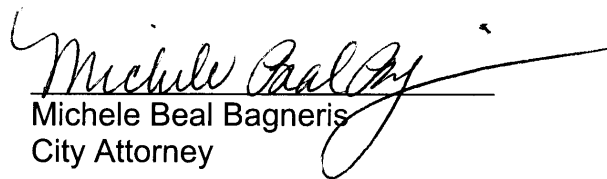
As reported in the Agenda Report dated November 7, 2011, there is no direct fiscal impact in adopting the proposed ordinance. Energy produced by distributed resources which are eligible for net energy metering under the proposed amended ordinance will tend to reduce the department's energy sales, revenues, and purchased power costs. The magnitude of these reductions, and their impact upon the department's net income,

will depend upon the quantity and quality of distributed resources that are installed by the department's customers and interconnected to the distribution system.

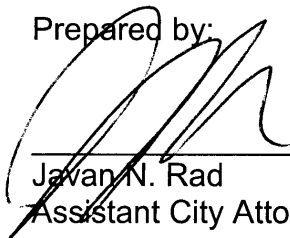
POLICY CHANGES

The proposed ordinance will facilitate distributed generation and electricity storage resources for the department. These actions are consistent with City energy policies articulated in the 2009 Power Integrated Resource Plan, the conservation and energy elements of the General Plan, and the Urban Environmental Accords. These policy documents set forth the goals of increasing renewable energy, reducing peak demand, and reducing greenhouse gas emissions. The proposed ordinance is also consistent with City policy of conforming legal requirements under the municipal code to applicable provisions of state law.

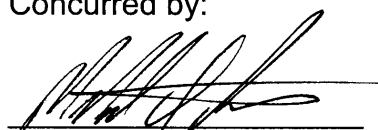
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Javan N. Rad
Assistant City Attorney

Concurred by:


Michael J. Beck
City Manager

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Introduced by Councilmember: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING SECTION 13.04.177 OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, TO CONFORM TO RECENT CHANGES TO SECTION 2827 OF THE CALIFORNIA PUBLIC UTILITIES CODE

The People of the City of Pasadena ordain as follows:

SECTION 1. The title of Section 13.04.177 is hereby amended to read:

~~“13.04.177 Net Energy Metering for solar and wind distributed generation.”~~

SECTION 2. Paragraph 1 of subsection A of Section 13.04.177 is hereby amended to read:

~~“1. Applies to any residential or commercial and industrial customer with their own solar or wind turbine generating facility, or a hybrid system of both, eligible customer-generators, as defined in Section 2827 of the California Public Utilities Code, operating a renewable electrical generation facility, as therein defined, located on the customer’s owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer’s own electrical requirements and which is interconnected and operates in parallel with PWP’s power system pursuant to an interconnection and metering agreement with PWP.”~~

SECTION 3. Paragraph 2 of subsection B of Section 13.04.177 is hereby amended to read:

"2. This rate schedule is available to eligible customers on a first-come, first-served basis until the total rated generating capacity used by eligible customer-generators under this schedule exceeds ~~2.5%~~ 5% of PWP's aggregate customer peak demand, or such other percentage as may be required by state law."

SECTION 4. A new paragraph 5 is hereby added to subsection D of Section 13.04.177 to read:

"5. To be eligible to take service under this rate schedule, Customer must establish and maintain its status as an eligible customer-generator as defined in Section 2827 of the California Public Utilities Code. Customer shall promptly report to PWP any change in such status. Customer shall promptly make available to PWP upon request documentation and other relevant evidence to verify such status. Customer shall reimburse PWP for payments made by PWP under this rate schedule in the event Customer did not qualify as an eligible customer-generator under state law at the time such payments were made."

SECTION 5. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published in full.

SECTION 6. This ordinance shall take effect upon its publication and shall apply retroactively to January 1, 2012.

Signed and approved this _____ day of _____, 2012.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held _____, 2012, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Published:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Javan N. Rad
Assistant City Attorney