

# Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: December 13, 2010

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, TO ESTABLISH FIXED RATES FOR UNMETERED TELECOMMUNICATIONS DEVICES AND OTHER EQUIPMENT, AND TO ESTABLISH NET ENERGY METERING RATES FOR ELIGIBLE CUSTOMER-GENERATORS

**TITLE OF PROPOSED ORDINANCE:**

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, TO ESTABLISH FIXED RATES FOR UNMETERED TELECOMMUNICATIONS DEVICES AND OTHER EQUIPMENT, AND TO ESTABLISH NET ENERGY METERING RATES FOR ELIGIBLE CUSTOMER-GENERATORS

**PURPOSES OF THE ORDINANCE:**

The City Council directed the preparation of this ordinance on November 8, 2010. The purposes of this ordinance are to establish new electric rates which: a) charge a fixed rate for electric services to telecommunications devices and other equipment where metering is infeasible or otherwise not practicable; and b) compensate eligible PWP customer-generators for surplus electricity and associated renewable energy attributes or credits from solar or wind generation systems located on the customer's premises.

MEETING OF 12/13/2010

AGENDA ITEM NO. 35

**REASONS WHY LEGISLATION IS NEEDED:**

Section 1403 of the Pasadena City Charter requires that charges for electrical energy be prescribed by ordinance. Section 2827 of the California Public Utilities Code requires California electric utilities to compensate eligible customers with solar or wind generation systems that produce more electricity than is used on the customer's premises. Section 2827 further allows the utility to purchase any renewable energy credits associated with its customer's net energy production.

**PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:**

New Sections 13.04.085 and 13.04.087 will be available to customers who need to install unmetered telecommunications devices and other equipment. New Section 13.04.177 will be available to eligible residential, commercial or industrial customers who own on-site solar or wind generation systems and enter into an interconnection and metering agreement with PWP.

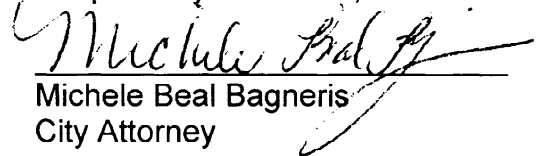
**FISCAL IMPACT:**

The new fixed rate ordinance is designed to fully recover PWP's costs of service for the unmetered telecommunications devices and other equipment to which they apply. As stated in the agenda report dated November 8, 2010, PWP anticipates slightly reduced sales and revenues as well as increased administrative costs resulting from the new net energy metering rates.


**POLICY CHANGES:**

This ordinance does not result in any policy changes.

Respectfully submitted,

  
Michele Beal Bagneris  
City Attorney

Prepared by:

  
Scott D. Rasmussen  
Assistant City Attorney

Introduced by \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH FIXED RATES FOR UNMETERED TELECOMMUNICATIONS DEVICES AND OTHER EQUIPMENT, AND TO ESTABLISH NET ENERGY METERING RATES FOR ELIGIBLE CUSTOMER-GENERATORS.

The People of the City of Pasadena ordain as follows:

**SECTION 1.** This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the Charter. The approved summary of this ordinance reads as follows:

**“ SUMMARY**

The purposes of Ordinance No. \_\_\_\_\_ are to amend the Light and Power rate ordinance to add new sections which authorize the Pasadena Water and Power Department to: 1) charge a fixed rate for electric services to telecommunications devices and other equipment where metering is infeasible or otherwise not practicable; and 2) compensate eligible electricity customer-generators for net surplus electricity and associated renewable energy attributes or credits from on-site solar or wind generation systems. This ordinance takes effect upon its publication.”

**SECTION 2.** A new Section 13.04.085 is hereby added to Title 13, Chapter 13.04 of the Pasadena Municipal Code to read:

**“13.04.085 Unmetered Rates – Non Demand**

The rates and conditions of services hereunder shall be as provided by Schedule CE1 – Non Demand, as follows:

**SCHEDULE CE 1 – Non Demand**

- A. Applicability.** Applies to any unmetered telecommunications devices and other equipment with less than 30 kW demand where metering installations would be impractical, unavailable, uneconomical or restricted by the City.
- B. Monthly Energy Consumption.** PWP shall determine the monthly energy consumption by multiplying the number of hours in the billing period by the maximum hourly energy consumption of the unmetered equipment based on the manufacturer’s specifications and operating characteristics. For the purpose of this schedule, monthly energy consumption shall be deemed to be the kWh delivered.
- C. Rates.** Customer shall pay the sum of the following charges:

1. Customer Charge Per Connection Per Month:

Single-phase service.....\$ 14.16  
Three-phase service.....\$ 19.07

2. **Distribution Charge For All kWh per Month:**

\$ 0.04099 per kWh

3. **Transmission Services Charge:** Customer shall pay a transmission services charge in accordance with Section 13.04.170 for each kWh delivered.

4. **Energy Services Charge:** Customer shall pay an energy service charge as follows:

Seasonal Flat Rate:

<u>Season</u>	<u>Energy Service Charge per kWh</u>
Summer	\$0.06901
Winter	\$0.06030

a. **Power Cost Adjustment:** Customer shall pay a Power Cost Adjustment in accordance with Section 13.04.173.

5. **Public Benefit Charge:** Customer shall pay a Public Benefit Charge in accordance with Section 13.04.230 for each kWh delivered.

**D. General Conditions**

1. Customer shall be solely responsible to install, own, operate, and maintain all equipment. City shall not be responsible for any damage to Customer's equipment under any circumstances.
2. Customer and PWP shall mutually agree upon each location for unmetered telecommunications devices and other equipment installations. Each location or connection shall be deemed a separate account.
3. Customer shall not increase connected load or change the character of telecommunications devices and other equipment without providing written prior notice to PWP of at least 30 days. Customer shall furnish PWP written notice of any change in the connection configuration, rated electrical load, or operating characteristics of such equipment. In event Customer does not provide such written notice, PWP may estimate Customer's actual energy use and back bill the Customer.
4. From time to time, PWP may audit Customer's equipment using a temporary meter. Customer's fixed electric rate shall be adjusted based upon the results of the audit. Customer shall provide City personnel with access to Customer's equipment and provide assistance as necessary to complete the audit."

**SECTION 3.** A new Section 13.04.087 is hereby added to Title 13, Chapter 13.04 of the Pasadena Municipal Code to read:

**“13.04.087 Unmetered Rates - Demand**

The rates and conditions of services hereunder shall be as provided by Schedule CE 2 – Demand, as follows:

**SCHEDULE CE 2 – Demand**

- A. Applicability.** Applies to any unmetered telecommunications devices and other equipment with 30 kW demand or greater, but less than 300 kW demand where metering installations would be impractical, unavailable, uneconomical or restricted by the City.
- B. Billing Determinants.**
  - 1. Monthly Energy Consumption.** PWP shall determine the monthly energy consumption by multiplying the number of hours in the billing period by the maximum hourly energy consumption of the unmetered equipment based on the manufacturer’s specifications and operating characteristics. For the purpose of this schedule, monthly energy consumption shall be deemed to be the kWh delivered.
  - 2. Monthly Billing Demand.** PWP shall determine the monthly billing demand based on the maximum demand (kW) of the telecommunications devices and other equipment as set forth in the manufacturer’s specifications.
- C. Rates.** Customer shall pay the sum of the following charges:
  - 1. Customer Charge Per Connection Per Month:**

Customer Charge.....\$ 60.22
  - 2. Distribution Charge:** The distribution rate for Customer shall be as follows:

All kilowatts of demand.....\$ 10.07 per kW
  - 3. Transmission Services Charge:** Customer shall pay a transmission services charge in accordance with Section 13.04.170 for each kWh delivered.
  - 4. Energy Services Charge:** Customer shall pay an energy service charge as follows:

Seasonal Flat Rate:

<u>Season</u>	<u>Energy Services Charge per kWh</u>
Summer	\$0.07338
Winter	\$0.06213

**a. Power Cost Adjustment:** Customers shall pay a Power Cost Adjustment in accordance with Section 13.04.173.

**5. Public Benefit Charge:** Customer shall pay a Public Benefit Charge in accordance with Section 13.04.230 for each kWh delivered.

**D. General Conditions**

1. Customer shall be solely responsible to install, own, operate, and maintain all equipment. City shall not be responsible for any damage to Customer's equipment under any circumstances.
2. Customer and PWP shall mutually agree upon each location for unmetered telecommunications devices and other equipment installations. Each location or connection shall be deemed a separate account.
3. Customer shall not increase connected load or change the character of telecommunications devices and other equipment without providing written prior notice to PWP of at least 30 days. Customer shall furnish PWP written notice of any change in the connection configuration, rated electrical load, or operating characteristics of such equipment. In event Customer does not provide such written notice, PWP may estimate Customer's actual energy use and back bill the Customer.
4. From time to time, PWP may audit Customer's equipment using a temporary meter. Customer's fixed electric rate shall be adjusted based upon the results of the audit. Customer shall provide City personnel with access to Customer's equipment and provide assistance as necessary to complete the audit."

**SECTION 4.** A new Section 13.04.177 is hereby added to Title 13, Chapter 13.04 of the Pasadena Municipal Code to read:

**“13.04.177 Net Energy Metering for Solar and Wind Distributed Generation**

The rates and conditions of services hereunder shall be as provided by Schedule NEM as follows:

SCHEDULE NEM  
NET ENERGY METERING

**A. Applicability.**

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, 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 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.
2. Customer shall make application to PWP to take service under this schedule. Such application shall indicate whether Customer elects to take service under Schedule 13.04.177 (B) (Annual Net Metering) or Schedule 13.04.177 (C) (Monthly or Bi-monthly Net Metering). Customer may make application to change such selection only once in any twelve month period. Customers that have entered into Interconnection and Net Metering agreements with the City of Pasadena prior to the effective date of this section shall take service pursuant to Schedule 13.04.177 (B) unless and until Customer makes application to PWP to change to Schedule 13.04.177 (C).

**B. Annual Net Energy Metering**

1. All rates charged will be in accordance with Customer’s otherwise applicable Rate Schedule as set forth in the applicable sections of this Chapter. Such charges shall be determined on a Net Energy Metering basis as defined and described in Public Utilities Code Section 2827. Capitalized term in this Subsection B shall be as defined in Public Utilities Code Section 2827.
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% of PWP’s aggregate Customer peak demand, or such other percentage as may be required by state law.
3. Customer in its application for service under this schedule shall make an affirmative election to receive either (a) compensation for the Net Surplus Electricity generated during the calculation period or (b) credit against future billings based on the value of the Net Surplus Electricity generated during the calculation period. If Customer does not make such election, Customer shall not receive compensation or credit for Net Surplus Electricity.

4. The rate for Net Surplus Electricity Compensation shall be equal to the applicable energy services charge over the Customer's billing period plus 2.5¢ per kWh for renewable energy attributes or credits associated with net surplus electricity delivered by the Customer, subject to the special condition in Subsection D(4).
5. **Billing.** Billing under this Subsection B shall be as follows:
  - a. Customers shall receive a statement from PWP on or about each anniversary date of the Customer's interconnection and metering agreement.
  - b. Residential and small commercial customers may elect to pay the outstanding balance, if any, owed to PWP in accordance with their regular billing cycle. All other Customers shall pay any outstanding balance owed to PWP in accordance with their regular billing cycle.
  - c. For Net Surplus Electricity, if any, PWP shall either credit or compensate Customer based on Customer's affirmative election pursuant to Subsection 13.04.177 (B) 2.

**C. Monthly or Bi-monthly Net Metering**

1. Service under this Subsection C (Monthly or Bi-monthly Net Metering) is not subject to Public Utilities Code Section 2827.
2. When Customer takes more electricity from PWP than Customer delivers to PWP, Customer's rates for electrical service from PWP shall be as set forth in the applicable Sections of this Chapter. Such charges shall apply to the net electricity delivered to Customer.
3. When Customer delivers more electricity to PWP than PWP delivers to Customer:
  - a. Customer's rates for electrical service from PWP shall be as set forth in the applicable Sections of this Chapter using zero kWh consumption; and,
  - b. Customer shall receive a credit in an amount equal to the net electricity delivered to PWP multiplied by the sum of the applicable energy services charge over the billing period plus 6.6¢ per kWh plus 2.5¢ per kWh for renewable energy attributes or credits, subject to the special condition in Subsection D(4).
4. **Billing.** Billing under this Subsection C (Monthly or Bi-monthly Net Metering) shall be as follows:
  - a. Customers shall receive a monthly or a bi-monthly bill from PWP. Customers shall pay the outstanding balance, if any, owed to PWP.
  - b. In the event a Customer eligible for a net credit, PWP may, in its sole



discretion, either apply such credit against other charges on the bill or carry forward the credit to the next billing period. Customer may request payment once every twelve months or any time the credit owed exceeds \$50.

**D. Special Conditions.**

1. Customer shall reimburse PWP for all expenses involved in purchasing and installing a meter that is capable of registering electricity flow in two directions.
2. Customer shall sign an interconnection and metering agreement with PWP.
3. Customer shall comply with all applicable PWP rules and regulations, including without limitation, Regulation 21 and Regulation 23.
4. To be eligible to receive 2.5¢ per kWh for renewable attributes or credits under Subsections B (Annual Net Metering) and C (Monthly or Bi-monthly Net Metering), Customers must demonstrate to PWP that such renewable attributes or credits have not been sold, transferred, or otherwise used for any statutory or regulatory compliance purposes.”

**SECTION 5.** This ordinance shall take effect upon its publication by title and summary.  
Signed and approved this \_\_\_ day of December, 2010

---

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 this \_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES:

NOES:

ABSENT:

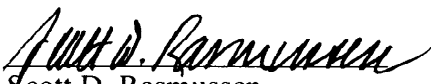
ABSTAIN:

Date Published:

---

Mark Jomsky, CMC  
CITY CLERK

Approved as to form:

  
Scott D. Rasmussen  
Assistant City Attorney