

DISTRIBUTED GENERATION POLICY



Adopted by the Board of Light Commissioners: September 18, 2017

Purpose

The Electric Light Department (ELD) recognizes the long-term value of increasing distributed generation in the Town of Ipswich. Facilitating local power sources will improve price stability, enhance system resiliency, and increase local control while supporting the best interest of ELD's engineering, economic, and environmental requirements.

Applicability

The ELD will enter into an agreement with customer-generators that own a net metering facility. A net metering facility is an electric generation facility that uses solar, wind, hydroelectric, or combined heat and power to generate electric power. Customers interested in pursuing any other type of generation facility must submit a written request to the Electric Light Manager. Eligible customer-generators are existing ELD customers in good standing that own the property on which the proposed net metering facility will be installed.

The primary intent of the net metering facility must be to offset the customer-generator's own electric power requirements. The rated capacity of the net metering facility will be limited based on the customer-generator's class of service as specified in the ELD's *Schedule of Electric Rates*, and is not to exceed 90% of the customer-generator's average load. Average load will be determined by the most recent 12 months of billing history or by a pro forma load estimate. New or unoccupied residences may have their load estimated by submitting an official load assessment and occupancy permit.

Customer-generators served under the "Residential Rate" in the ELD's *Schedule of Electric Rates* are limited to a rated system capacity of 10 kW-DC, not to exceed 90% of average load. Customer-generators served under the "General or Commercial – B" rate or "Power Rate – C" in the ELD's *Schedule of Electric Rates* are limited to a rated system capacity of 30 kW-DC, not to exceed 90% of average load. Beginning June 20, 2017, the cumulative limit for new net metered distributed generation will be 500 kilowatts (DC). The purpose of this limit is to avoid an uncontrolled growth, which could jeopardize the integrity of the local electric system. The Electric Light Manager has the discretion to increase or decrease this limit.

Power Purchase Agreements

Customers interested in developing a larger system must submit a proposal for a power purchase agreement (PPA). The Electric Light Manager has the discretion to accept or deny any PPA proposals and to negotiate their terms. Each PPA proposal will be evaluated on a case-by-case basis for its economic, engineering, and environmental merit. PPA proposals for systems larger than 250 kilowatts (DC) will require a nonrefundable application fee of up to \$15,000 for the purposes of conducting a system impact study.

Third-Party Lease Agreements

Arrangements in which customers purchase power from any entity other than the ELD are not permitted.

Billing & Crediting

At the end of the monthly billing period, the customer-generator will be billed for the electricity consumed at the designated service rate.

At the end of the monthly billing period, the customer-generator's account will be credited for the electricity provided into the ELD's system at an amount equal to \$0.10.

For the billing period ending in March of each year (or at the termination of service), any remaining credit balance in a customer-generator's account will be returned to the ELD's Sustainability Fund. Customer-generators will not receive any cash payments for unused credit balances remaining at the end of this annual cycle. Any customer charge or minimum charge associated with a customer-generator's class of service will still apply.

Existing Net Metering Customers

Customer-generators with net metering agreements authorized by the ELD prior to June 20, 2017 will remain grandfathered under the previous crediting structure until April 1, 2022. These customer-generators will receive monetary credits to their electric account for their excess generation at a rate equal to the full retail rate based on their class of service. If desired, grandfathered customer-generators may elect to preemptively transition to the new structure, ahead of the April 1, 2022 deadline.

For the billing period ending in March of each year (or at the termination of service), any remaining credit balance in a customer-generator's account will be returned to the ELD's Sustainability Fund. Customer-generators will not receive any cash payments for unused credit balances remaining at the end of this annual cycle. Any customer charge or minimum charge associated with a customer-generator's class of service will still apply.

Interconnection

The customer-generator must complete and sign the ELD's *Interconnection Application & Agreement*. The customer-generator will be required to pay all applicable application fees and electrical permitting fees. Service is subject to the ELD's printed requirements and the ELD's *Electric Service Requirements and Policy Handbook*.

The customer-generator shall build, operate, and maintain the net metering facility so that it meets or exceeds all applicable safety and performance standards established by the Massachusetts State Building Codes, the Massachusetts DTE, the National Electric Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

The net metering facility must operate in parallel with the ELD's existing transmission and distribution facilities.

The customer-generator shall provide a safety disconnect device located adjacent to the ELD's metering equipment and shall be accessible to the ELD's personnel at all times. The disconnect switch must be lockable by means of a padlock in either the open or closed position. The ELD shall have the option of requiring ongoing testing of the disconnect equipment. The ELD may disconnect the customer-generator's net metering facility from the ELD's distribution system at any time if it deems the safety and stability of the system could be compromised.

The ELD reserves the right to inspect net metering facilities at any time with proper notice to the customer.

Legal

The ELD shall not be liable, directly or indirectly, for permitting or continuing to allow the attachment of a net metering facility, or for the acts or omissions of the customer-generator that cause property damage, or loss, or injury, including death, to any party.

The ELD reserves the right to change this policy at any time to reflect changes in its *Schedule of Electric Rates*, or to bill the customer-generator for any costs that occur as a result of charges directly related to the customer-generator.

The ELD reserves the right to delay or reject any application if it threatens the performance or reliability of the ELD's distribution system, or the safety of the ELD's customers or employees.

Any and all aspects of this policy may be changed at any time to better serve the objectives of the ELD and the needs of its customers.