

COUNCIL ACTION FORM

SUBJECT: PROPOSED CHANGE TO AMES MUNICIPAL CODE, APPENDIX H, TARIFF 5, TO ALLOW FOR SOLAR GENERATING SYSTEMS UP TO 500 KW.

BACKGROUND:

Commercial customers have been interested in green energy for some time. Over the past year numerous customers have called to inquire whether Electric Services has a policy dealing with the interconnection of green electricity generators to our system.

Electric Services staff has investigated the issue and developed an Interconnection Agreement which covers the items necessary to safely isolate the customer owned generator from the City's electric distribution system, and a Net Metering Tariff which covers how the customer will be metered and billed for any excess electricity a system can produce each month.

The Ames City Council approved the Interconnection Agreement and Net Metering Tariff via Resolution 08-109 on March 25, 2008 which limited the size of an installation to 10 kW. Staff is now considering new solar panel requests, from customers, that range from 5 kW to 300 kW. **To accommodate these new requests, Appendix H, Tariff 5 of the Ames Municipal Code needs to be revised to increase the maximum size allowed.**

If approved by the City Council, the Net Metering Tariff will be added to the end of the existing Municipal Code, Appendix H, Tariff 5 beginning with Section 2.7.

ALTERNATIVES:

1. Approve modifications to the Ames Municipal Code, Appendix H, Tariff 5 to include the Net Metering Tariff with changes covering commercial systems up to 500 KW.
2. Do not adopt changes.

MANAGER'S RECOMMENDED ACTION:

When the original tariff was adopted by Council in 2008, the predominant use was for small systems, less than 10 kW, placed on homes. Today, some of our larger electric customers are looking at solar as a way to reduce peak electric consumption and desire to install systems as large as several hundred kW in size. To accommodate customer requests to allow larger solar systems, the tariff needs to be updated.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.