

RESOLUTION NO. 18-183

RESOLUTION OF THE CITY OF GLENDALE AMENDING AND SUPERCEDING CITY OF GLENDALE RESOLUTION NO. 15-74 PERTAINING TO GLENDALE WATER & POWER'S NET ENERGY METERING PROGRAM IN ORDER TO ALLOW A ONE-TIME ELECTION OF PAYMENT OR CREDIT FOR EXCESS ENERGY

WHEREAS, the City of Glendale, through the Glendale Water & Power Division ("GWP"), operates a municipal utility for the distribution of electrical energy to the citizens of the City of Glendale; and

WHEREAS, consistent with the requirements of California Public Utilities Code section 2827, GWP offers a net energy metering program to eligible customer-generators as defined by California Public Utilities Code Section 2827(b)(4); and

WHEREAS, on December 17, 2013, the City of Glendale adopted Resolution No. 13-233 entitled "Resolution of the City of Glendale Setting Forth Rates for Net Surplus Electricity Compensation Payable to Net Surplus Customer Generators Participating in Glendale Water & Power's Net Energy Metering Program," specifying the compensation to be paid to Net Energy Metering customers that generate more energy than they use onsite, consistent with the requirements of California law; and

WHEREAS, on May 5, 2015, the City Council adopted Resolution No. 15-74 amending and superseding Resolution No. 13-233, and the Net Energy Metering requirements set forth therein, to add provisions applicable to Aggregate Net Energy Metering Customers that wish to aggregate, for Net Energy Metering purposes, the load from multiple meters on adjacent or contiguous property under sole ownership, and to clarify certain provisions of the Rate Schedule that apply to all Net Energy Metering Customers; and

WHEREAS, it is desirable to amend Resolution No. 15-74 and the Net Energy Metering requirements set forth therein in order to simplify the process for an eligible customer that generates excess renewable energy to claim compensation or a credit for the customer-generator's excess generation; and

WHEREAS, this Resolution does not modify the net energy metering compensation rate payable to eligible net surplus generators.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE:

Section 1. Notice of the public meeting at which this Resolution was considered was properly given, and all oral and written presentations made to and heard by the City Council were properly considered.

Section 2. The Council hereby adopts the Net Energy Metering Rate Schedule and Regulations as set forth in Exhibit A, attached hereto and incorporated herein by reference. This Resolution, including Exhibit A hereto, amends and supersedes Resolution No. 15-74.

Section 3. The Net Energy Metering Rate Schedule and Regulations that are hereby adopted simplify the process for Net Generators to claim compensation or a credit for net surplus renewable energy generation, but maintains the same Net Energy Metering compensation rate as set forth in Resolution No. 15-74. Such rates provide just and reasonable compensation for the value of net surplus renewable electricity purchased by the City of Glendale from those Net Generators participating in the City of Glendale's Net Energy Metering Program that elect to receive compensation for their annual net generation supplied by the City of Glendale, and such rates will leave other ratepayers unaffected.

Section 4. The Net Energy Metering Rate Schedule and Regulations attached hereto as Exhibit A shall apply to the net surplus renewable energy generation of Net Generators during calendar year 2018 and in subsequent calendar years.

Section 5. Compliance with California Environmental Quality Act. The City Council finds and determines that this Resolution is not subject to the California Environmental Quality Act ("CEQA") and, therefore, an environmental review is not required pursuant to Section 21080(b)(8) of the California Public Resources Code and Sections 15273(a) and 15061(b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

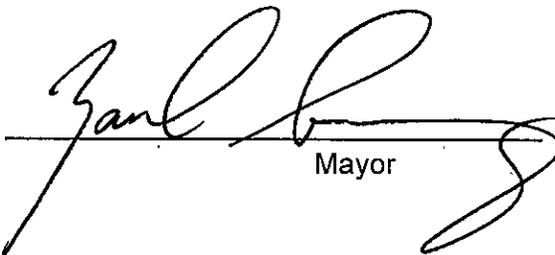
Section 6. Severability. If any Section, subsection, clause, phrase, sentence or word of this Resolution or the application thereof to any person or circumstance is for any reason held invalid, the validity of the remainder of the Resolution or the application of such provision to other persons or circumstances shall not be affected thereby and shall not affect any other Section, subsection, clause, phrase, sentence or word of the Ordinance that can be given effect without the invalid Section, subsection, clause, phrase, sentence or word of this Resolution. The City Council hereby declares that it would have passed this Resolution and each Section, subsection, clause, phrase, sentence and word hereof, irrespective of the fact that one or more Sections, subsections, clauses, phrases, sentences or words or the application hereof to any person or circumstance is held invalid.

Adopted by the Council of the City of Glendale on the 2nd day of October, 2018.

ATTEST:



City Clerk



Mayor

APPROVED AS TO FORM


PRINCIPAL ASSISTANT CITY ATTORNEY
DATE September 27, 2018

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF GLENDALE)

I, ARDASHES KASSAKHIAN, City Clerk of the City of Glendale, certify that Resolution No. 18-183 was passed by the Council of the City of Glendale, California, at a regular meeting held on the 2nd day of October, 2018, and that same was passed by the following vote:

Ayes: Agajanian, Devine, Gharpetian, Najarian, Sinanyan

Noes: None

Absent: None

Abstain: None



City Clerk

Adopted
10/02/18
Najarian/Devine
All Ayes

RESOLUTION NO. 18-182

**A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE,
CALIFORNIA MAKING FINDINGS UNDER CALIFORNIA ASSEMBLY BILL 546 REGARDING
THE PERMIT APPLICATION PROCESS FOR
ADVANCED ENERGY STORAGE SYSTEMS**

WHEREAS, California Assembly Bill 546 (2017-2018), codified as California Government Code section 65850.8 ("AB 546") requires that, on or before September 30, 2018, each city with a population of 200,000 or more residents shall make all documents and forms associated with the permitting of advanced energy storage available on a publicly accessible Internet Web site; and

WHEREAS, AB 546 further provides that cities "shall allow for electronic submission of a permit application . . . unless the city . . . determines that it is unable to accept an electronic signature on all forms, applications and other documents and makes a finding that states the reasons for that inability;" and

WHEREAS, the City of Glendale ("City") has made all documents and forms associated with the permitting of advanced energy storage available on the City's website; and

WHEREAS, due to limitations in the City's technical systems, the City does not have the ability to accept electronic signatures on forms, applications, and other permit documents submitted to the Building Official for a permit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA:

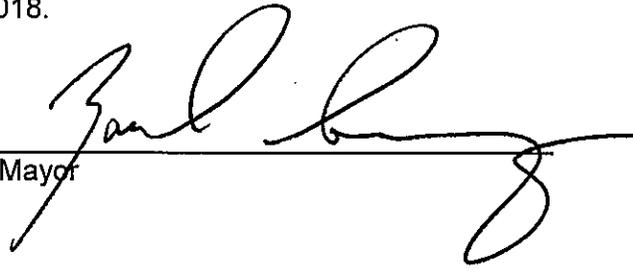
Section 1. Pursuant to AB 546, the City Council hereby finds that the City is presently unable to accept electronic signatures on forms, applications and other documents submitted in connection with an advanced energy storage system due to limits the City's technical systems.

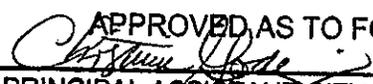
Section 2. The electronic submittal of forms, applications and other permit documents to the Building Official, or his designee, for the permitting of an advanced energy storage system as defined in AB 546, shall not be permitted under this Section until determined otherwise by the Building Official.

Adopted this 2nd day of October 2018.

ATTEST:


City Clerk


Mayor

APPROVED AS TO FORM

PRINCIPAL ASSISTANT CITY ATTORNEY
DATE September 27, 2018

4 0 1

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF GLENDALE)

I, Ardashes Kassakhian, City Clerk of the City of Glendale, do hereby certify that the foregoing Resolution No. 18-182 was duly adopted by the Council of the City of Glendale, California, at a regular meeting held on the 2nd day of October, 2018 and that the same was adopted by the following vote:

Ayes: Agajanian, Devine, Gharpetian, Najarian, Sinanyan

Noes: None

Absent: None

Abstain: None



City Clerk

RECOMMENDATION

The General Manager of Glendale Water and Power ("GWP") and the Director of Community Development hereby recommend that the City Council authorize the following actions:

1. Adopt a resolution, pursuant to California Assembly Bill 546, regarding the application process for battery energy storage permits.
2. Adopt amended regulations authorizing Net Energy Metering customers to make a one-time election whether to receive a kWh credit or compensation for excess generation rather than making such election on an annual basis.

BACKGROUND/ANALYSIS

AB 546 and Advanced Energy Storage Permitting

California Assembly Bill 546 (2017-2018), codified as California Government Code § 65850.8 ("AB 546"), requires that, on or before September 30, 2018, each city with a population of 200,000 or more residents must make all documents and forms associated with the permitting of advanced energy storage available on the internet. AB 546 further provides that cities "shall allow for electronic submission of a permit application . . . unless the city . . . determines that it is unable to accept an electronic signature on all forms, applications and other documents and make a finding regarding that inability."

In compliance with AB 546, the City of Glendale has made all documents and forms associated with the permitting of advanced energy storage available on the City's website at: <https://www.glendaleca.gov/government/departments/community-development/licenses-permits-and-applications/license-and-permit-applications>. However, due to limitations in the City's technical systems, the Building & Safety Division does not presently have the ability to accept electronic signatures on the plans associated with the permitting of these systems. The Community Development (CD) Building & Safety Division will be evaluating and soliciting proposals for an electronic plan check system and intends to budget for such a system in the next fiscal year. It is estimated that it will take 6 to 9 months to complete the procurement and implementation process for the online plan check system. Therefore, per the requirements of AB 546, staff recommends that the City Council adopt a resolution making findings that the electronic submittal of forms, applications, and other permit documents for the Building Official's permitting of an advanced energy storage system shall not be permitted at this time, and rather that such permits be processed in accordance with the standard process for all building permits.

The City has seen an increased interest in the permitting of energy storage systems and distributed energy resources, and to that end, GWP and CD Building & Safety staff have attended two regional training sessions to learn more about the safe installation of energy storage systems. They have also engaged other SCPPA utilities and the County of Los Angeles to benchmark how other entities are working through the safety concerns and impacts to infrastructure introduced by the installation of these systems. GWP is in the process of updating its Electric Service Requirements to address and clarify the technical requirements associated with advanced energy storage systems and distributed generation. The updated Electric Service Requirements, including those applicable to energy storage systems and distributed generation, will be available on the GWP website, when completed, at: <https://www.glendaleca.gov/government/departments/glendale-water-and-power/electric-service-requirements>

Amendment to Net Energy Metering Regulations

GWP offers a Net Energy Metering (NEM) program for eligible renewable energy customers (primarily solar) within the City of Glendale. Participants in the net energy metering program generate renewable energy on their property and use a portion of that energy onsite for their energy needs. If the customer's renewable facility generates more power than the customer can use onsite during a one-year term, then that customer may annually elect to receive either payment or a credit (i.e., kWh) on his or her utility bill for the excess energy that he or she generates.

California law provides that Glendale must accept NEM customers until the total combined rated generating capacity of renewable electrical generating facilities reaches five percent of GWP's aggregate customer peak demand. At this time, GWP has reached its NEM cap and is no longer obligated by law to offer NEM. However, due to the popularity of the NEM program and its potential for offering reductions in demand, GWP does not recommend discontinuing the NEM program at this time.

Based upon feedback from customers during the last annual election period, GWP recommends amending to the NEM Regulations to make it easier for customers to claim excess credits or compensation. Currently, and consistent with California law, the City's NEM Regulations require customers that are net generators to annually elect whether they wish to receive compensation in the form of a kWh credit or a payment. GWP recommends amending this requirement to allow customers to make the election to receive a kWh credit or compensation one time, rather than needing to do so every year. This will reduce the administrative burden on GWP staff and will make it easier for customers as well. Per California law, and as is the current policy, customers that fail to make an election will forfeit the right to receive a kWh credit or compensation.

GWP continues to review its distributed generation policies and programs and will continue to bring additional amendments and regulatory changes to the City Council as appropriate in order to facilitate GWP's clean energy strategy.

FISCAL IMPACT

AB 546: There is no cost associated with adopting the Resolution making findings regarding the permit application process for Advanced Energy Storage Systems. The Building & Safety Division will be evaluating and soliciting proposals for an electronic plan check system. The cost of implementing an online permitting system is preliminarily estimated at \$250,000, and will be budgeted in the next fiscal year.

Net Energy Metering Regulations: The change in process to allow a one-time annual election (rather than annual elections) will result in a reduction in staff time associated with processing the annual election forms.

ALTERNATIVES

Alternative 1: Council may adopt the resolution making findings under AB 546 and adopt the proposed amendments to the NEM Regulations as proposed.

Alternative 2: Council may decline to authorize the actions.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable.

EXHIBIT(S)

EXHIBIT A: Rate Schedule and Regulations

EXHIBIT A

**NET ENERGY METERING RATE SCHEDULE AND
REGULATIONS**

CITY of GLENDALE WATER & POWER

Net Energy Metering (NEM) Rate Schedule and Regulations

Effective Date: October 2, 2018

I. **Applicability.**

This rate applies to those Eligible Customer-Generators (as defined in Section 2827 of the California Public Utilities Code, as may be amended from time to time) that are participants in the City of Glendale Water & Power ("GWP") Net Energy Metering Program ("NEM Program") and have executed the applicable Standard Contract.

II. **Territory.**

Within the service area of GWP.

III. **Rates:**

As set forth in the Chapter 13 of the Glendale Municipal Code, all rates charged under this schedule will be in accordance with the Eligible Customer-Generator's otherwise applicable rate schedule in effect from time to time, on a net energy metering basis. An Eligible Customer-Generator is responsible for all charges applicable to its otherwise applicable rate schedule as set forth in the Glendale Municipal Code, 1995, including but not limited to the energy cost adjustment charge, the regulatory adjustment charge, the revenue decoupling charge, public benefit charges, utility user taxes and the State of California electrical energy resources surcharge.

IV. **Annualized Payment/ Settlement Method**

a) **Eligible Net Energy Metering Customers Receiving Residential Electric Service (L-1), Small Commercial Electric Service (L-2) and Small Commercial Demand Service (LD-2) Customers Under a Customer-Owned Generation Rate Schedule**

- 1) The annual Net Energy Metering calculation shall be made by measuring the difference between the energy supplied to the Customer and the energy generated by the Customer and fed back to GWP's grid over a Twelve-Month Period. At the end of each Twelve-Month Period, GWP shall determine if the Customer was a net consumer or a net generator of energy during the Twelve-Month Period. In the event that the energy supplied by GWP during the Twelve-Month Period exceeds the energy generated by the Customer during that same period, the Customer is a net energy consumer.
- 2) If a Customer is a net energy consumer, GWP will bill the Customer for the net energy consumed during the Twelve-Month Period based on the Customer's rate schedule and Customer shall pay for such net energy consumed, and other

applicable charges in accordance with the Customer regular billing statement and the Glendale Municipal Code, 1995.

**b) Eligible Net Energy Metering Customers Receiving Commercial Service (PC-1)
Customers Under a Customer-Owned Generation Rate Schedule**

- 1) The annualized Net Energy Metering calculation shall be made by measuring the difference between the energy supplied to the Customer and the energy generated by the Customer and fed back to GWP's grid over a Twelve-Month Period. Additionally, at the end of each billing period, GWP shall determine if the Customer was a net consumer or a net generator of energy. In the event the energy supplied by GWP to the Customer during the preceding billing period exceeds the energy generated by the Customer during the same billing period, the Customer is a net energy consumer.
- 2) If the Customer is a net energy consumer, the utility will bill the Customer for the net energy consumed during such billing period as prescribed in the Customer's rate schedule for the net kilowatt hours supplied by GWP, and other applicable charges in accordance with the Customer's regular billing statement and the Glendale Municipal Code, 1995.

c) All Eligible Customer-Generators

- 1) GWP shall provide all eligible Customers with Net Energy Metering consumption and generation information on a monthly or bi-monthly basis depending on the customer's billing cycle. Such monthly update shall include the current accrued balance owed to GWP for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.
- 2) If the energy generated exceeds the energy consumed by the Customer, the Customer is a net energy generator. If the Customer is a net generator of energy over a normal billing period within a year, any excess kilowatt-hours generated during the billing period shall be carried forward to the following billing period until the end of the Customer's Twelve-Month Period. Kilowatt hour credits for net energy generation during any billing period shall be calculated in accordance with Section 2827 of the California Public Utilities Code, as may be amended from time to time.
- 3) At the end of each Twelve-Month Period, GWP shall retain any Net Surplus Energy generated by the Net Surplus Customer Generator, including any associated environmental attributes or renewable energy credits (RECs), provided, however, that where the Customer, upon enrollment for the GWP NEM Program, elected to retain the green energy rights and RECs associated with the customer's renewable energy generation in lieu of receiving payment for assigning the green energy rights to GWP, the Customer shall retain the

environmental attributes and RECs associated with the customer's Net Surplus Energy. Except as otherwise provided in Subsection 7 herein or as required by law, no payment will be made to any Customer for the excess energy delivered to GWP's grid unless the Customer affirmatively elects to receive Net Surplus Energy Compensation for that excess energy by electing compensation as set forth in Subsection 4 herein. In accordance with State law, no payment will be made for any excess energy for any Aggregate Net Energy Metering Customer participating in the NEM Program. Sections 4, 5 and 6 of Section IV(c) of this Rate Schedule shall not apply to Aggregate Net Energy Metering Customers.

- 4) Customer shall submit a written affirmative election ("Election Form") specifying whether, at the end of each Twelve-Month Period, the Customer elects to receive credit or Net Surplus Energy Compensation if that Customer is a Net Surplus Customer Generator. The Customer shall elect either (i) Net Surplus Energy Compensation for Net Surplus Energy or (ii) to roll over the Net Surplus Energy as a kWh credit into the next Twelve-Month Period. The Customer's Net Surplus Energy Compensation shall be calculated over the Twelve-Month Period beginning with the Customer's regularly scheduled meter read date in January or February and concluding as of the Customer's regularly scheduled meter read date at the end of the calendar year. The Election Form may be delivered in person or transmitted via U.S. Mail to GWP at the address below, or may be delivered by such other method as GWP may establish from time to time. The address for U.S. Mail transmittals is:

Glendale Water & Power
Attn: Solar Solutions Program
141 N. Glendale Avenue, Level 2
Glendale, CA 91206

In order to receive Net Surplus Energy Compensation or a credit for a Twelve-Month Period, GWP must have received a valid Election Form from the Customer no later than December 31 of that Twelve Month Period (the last day of a Twelve Month Period).

The Customer need only submit the Election Form to GWP one time. The Customer's Election Form will remain valid for all subsequent Twelve-Month Periods, unless the Customer subsequently submits a new Election Form.

A Customer may submit a revised Election Form at any time during any Twelve-Month Period, provided, however, that GWP will rely on the latest Election Form that it has received by December 31 of the then-current Twelve Month Period. The latest Election Form that is on file with GWP on December 31 will apply to the entire Twelve-Month Period.

- 5) **Rate.** Where the Customer has timely made an affirmative election to be compensated for such Net Surplus Energy, the electricity provided from the Customer to GWP shall be priced in accordance with the fourth quarter Feed-in-Tariff rate determined in accordance with the rate formula set forth in Section 13.44.240 of the Glendale Municipal Code, 1995, as may be amended from time to time; provided, however, that (i) payment to the Net Surplus Generator shall not include the Renewable Energy Credit component of the Feed-in-Tariff rate; and (ii) payment shall be made on a \$/kWh basis instead of on a \$/MWh basis.
- 6) **Effect of Customer's Failure to Affirmatively Elect to Receive Compensation or Credit:** If the Customer has not submitted an Election Form to GWP providing an affirmative election to receive Net Surplus Compensation or a kWh credit for the Net Surplus Energy, except as required by law, any monetary value and kWh credit for Net Surplus Energy shall be reset to zero for the subsequent Twelve-Month Period. In addition, except as required by law, no payment will be made to any Customer for the Net Surplus Energy delivered to GWP's grid, unless the customer timely makes an affirmative election to receive Net Surplus Energy Compensation for the Net Surplus Energy, as provided in subsection 4.

V. Metering

The Net Energy Metering account must be metered using Required Meter(s) in accordance with GWP's requirements. The Customer is responsible for all costs for the provisioning and installation of the Required Meter(s).

VI. Definitions

"Aggregate Net Energy Metering Customer" means an Eligible Customer Generator meeting the requirements of Section 2827(h)(4) of the California Public Utilities Code that has elected to aggregate, for purposes of Net Energy Metering, the load from multiple meters on adjacent or contiguous property that is solely owned, leased or rented by the Eligible Customer-Generator.

"Election Form" means a written, affirmative election, submitted by the Customer to GWP in accordance with the procedures specified in paragraph 4 above, specifying whether, at the end of a Twelve-Month Period, the Customer elects to receive Net Surplus Energy Compensation or a kWh credit for Net Surplus Energy.

"Eligible Customer-Generator" or "Customer" means a customer participating in the GWP NEM Program and meeting the definition of "Eligible customer-generator" as set forth under Section 2827(a)(4) of the California Public Utilities Code.

“Eligible Renewable Electrical Generation Facility” means a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code, as may be amended from time to time.

“Net Energy Metering” means measuring the difference between the energy supplied through the electric grid to the customer and the energy generated by an Eligible Customer-Generator and fed back to the electric grid over a Twelve-Month Period, as described in California Public Utilities Code Section 2827, as may be amended from time to time.

“Net Surplus Customer Generator” means an Eligible Customer-Generator that generates more energy in a Twelve-Month Period than is supplied by GWP to the Eligible Customer-Generator during the same Twelve-Month Period.

“Net Surplus Energy” means all energy generated by an Eligible Customer-Generator measured in kilowatt-hours over a Twelve-Month Period that exceeds the amount of energy consumed by that Eligible Customer-Generator.

“Net Surplus Energy Compensation” mean monetary compensation, at a per kilowatt-hour rate, offered by GWP to the Net Surplus Customer Generator for Net Surplus Energy, in accordance with this Schedule.

“Required Meter” means a single revenue-grade interval meter capable of registering the flow of energy in two directions; provided, however, that in the case of an Aggregate Net Energy Metering Customer, more than one Required Meter may be required as specified by GWP.

“Standard Contract” means that standard contract entitled “Glendale Water & Power Standard Form Interconnection Agreement for Net Energy Metering from Eligible Renewable Electric Generating Facilities” and available to Eligible Customer Generators and offered in accordance with California Public Utilities Code Section 2827.

“Twelve Month Period” means the twelve-month period commencing with the customer’s regularly scheduled meter read date in January or February and concluding as of the Customer’s regularly scheduled meter read date at the end of the calendar year. The customer’s first such period will commence as of the date of interconnection and conclude as of the regularly scheduled meter read date the following November or December, and may be less than twelve months.

VII. Program Cap:

The City of Glendale reserves the right to close the program to new customers when the total contract generating capacity for qualifying Customers meets the required total rated generating capacity percentage of GWP’s aggregate peak customer demand, as required by the California Public Utilities Code section 2827(c)(1), as may be amended from time to time.