

ORDINANCE NO. 2025-_____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ESTABLISHING THE SCHEDULE OF RATES FOR ELECTRIC SERVICE; AMENDING THE ENERGY COST ADJUSTMENT AND TRANSMISSION COST RECOVERY FACTOR SCHEDULES; PROVIDING FOR A REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING EFFECTIVE DATES FOR THIS ORDINANCE AND THE SCHEDULES OF RATES.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The Schedule of Rates for electrical services as provided for in Chapter 26 of the City of Denton Code of Ordinances, is as follows:

ELECTRIC RATE SCHEDULES

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RES Residential Service	2
GS General Service Small	4
GM General Service Medium	6
GL General Service Large	8
TG General Service Time Of Use	10
GOS Local Government Service Small	12
GOM Local Government Service Medium	14
GOL Local Government Service Large	16
T1 Temporary Service	18
AF Athletic Field	20
LS Street Lighting	22
LT Traffic Lighting	23
UFL Unmetered School Zone/Crossing Flashers	24
USC Unmetered Security Camera	25
UWF Unmetered Wi-Fi Devices	26
LO Other Lighting	27
DD Security Lighting	28
DSL Non-Standard Street Lighting	30
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SFR Special Facilities Rider	3940
PAF Pole Attachment Fee	4041
BIF Banner Install Fee	4243
WNA Wireless Node Attachments	4344
EVCR Electric Vehicle Charging Rate	4546
WTS Wholesale Transmission Service	4647

SCHEDULE GIP

GREENSENSE INCENTIVE PROGRAM

(Effective ~~12/01/24~~04/01/25)

PROGRAM SUMMARY

The objective of the GreenSense Incentive Program (“Program”) is to reduce energy demand and consumption by promoting energy conservation, thereby reducing the utility bills of City Customers, reducing the peak load of the City’s electric system, reducing emissions in the state, and promoting energy conservation. The Program offers incentives; that may be distributed in the form of credits on the electric service bills or cash incentives ~~of~~to City retail customers. ~~Cash incentives may be paid to retail customers for the installation of photovoltaic applications.~~

~~In light of additional costs associated with the GreenSense Incentive Program and to mitigate potential risk to ratepayers,~~ any participant in the GreenSense Incentive Program must be, at the time this program is applied for and continuing while such program is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Program is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

Program applicants will be able to qualify for multiple incentives simultaneously, unless specified in the individual guidelines. A separate application may be necessary for each incentive. The Program will be in effect each fiscal year beginning on October 1, until the allotted funding is depleted or until cancellation of the program by the City. At the time the funds are depleted, no additional applications for participation will be accepted until the next fiscal year.

Qualifying applicants must receive electric service from the City. The program guidelines and payment provisions are subject to change by the City without prior notice. The City may, at any time, discontinue the Program without prior notice. The current program guidelines may be found in the GreenSense Incentive Program Manual located at www.cityofdenton.com.

SCHEDULE ECA

ENERGY COST ADJUSTMENT

(Effective ~~12/04/01/254~~)

The Energy Cost Adjustment (ECA) Rate shall be set ~~by the Public Utilities Board (“PUB”). The ECA Rate shall be reviewed on a quarterly basis and adjusted as defined below~~ to recover the net cost of energy delivered to Customers and to maintain the City’s electric utility in a financially sound position.

NET MONTHLY RATE

(1) **Energy Cost Adjustment Charge** **\$0.0462 per kWh**

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

$$\text{ECA Balancing Account} = (\text{Beginning ECA Account Balance}) - (\text{Projected Net Energy Cost})$$

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility’s projected cost of electric load purchases from ERCOT plus all projected electric utility power/energy related costs for that same period including, but not limited to, power production (~~including-excluding~~ the Denton Energy Center debt ~~and all other costs~~); purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

~~The General Manager of the City’s electric utility or his/her designee shall calculate the ECA Balancing Account monthly. In the event that the ECA Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be over/under collected by \$5,000,000 or more during the next quarter, the General Manager or his/her designee may recommend to the PUB and City Council a revision to the ECA to maintain the City’s electric utility in a financially sound position.~~

ENERGY COST ADJUSTMENT CALCULATION

$$\text{ECA} = [(\text{Projected Net Energy Cost}) + (\text{ECA Balancing Account})] / (\text{Projected kWh sales})$$

ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge = kWh × ECA Rate

The General Manager of the City’s electric utility or their designee shall calculate the ECA Balancing

Account monthly. In the event that the ECA Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be over/ or under collected by \$10,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA to maintain the City's electric utility in a financially sound position. Any change to the ECA will be placed on the City Council's consent agenda.

SCHEDULE TCRF

TRANSMISSION COST RECOVERY FACTOR

(Effective ~~124~~/01/24~~5~~)

The Transmission Cost Recovery Factor (TCRF) Rate shall be set to recover the costs of transmission service paid by DME to other transmission owners within the boundaries of the Electric Reliability Council of Texas (“ERCOT”) region. ~~by the Public Utilities Board (“PUB”).~~ The TCRF Rate shall be reviewed on a quarterly basis and adjusted as defined below. The TCRF will pass through these Rate charges as pass-through charges to customers in order to maintain the City’s electric utility in a financially sound position. ~~to recover the costs of transmission service within the boundaries of the Electric Reliability Council of Texas (“ERCOT”) region which are billed and charged to the City.~~

NET MONTHLY RATE \$0.0176 Per kWh

- Residential
- General Service Small
- Local Government Service Small
- Temporary Service
- Athletic Field
- Traffic Lighting
- Unmetered Traffic Lighting
- Unmetered School Zone/Crossing
- Unmetered Security Camera
- Unmetered Wi-Fi Devices

NET MONTHLY RATE \$5.02 Per kW

- General Service Medium
- Local Government Service Medium

NET MONTHLY RATE \$6.95 Per kVA

- General Service Large
- Local Government Service Large
- General Service Time Of Use

TRANSMISSION COST RECOVERY FACTOR BALANCING ACCOUNT CALCULATION

The TCRF shall be calculated using the following formula:

$$\text{TCRF Annual Billing} = (\text{Actual monthly net TCOS billing amounts charged by ERCOT transmission service providers to the City}) + (\text{Projected increases or decreases pursuant to PUCT-approved TCOS billing amount charges to ERCOT utilities}) + (\text{applicable Franchise Fees and required ROI})$$

During the last month of each fiscal year quarter (December, March, June, and September), the General Manager of the City’s electric utility or ~~his/her~~their designee shall calculate the TCRF Balancing Account. The TCRF charge will be developed by the City for each applicable customer billing schedule herein, based on projected kWh sales for billing schedules without a demand

component and on monthly peak kW or kVA for billing schedules with a demand component. The cumulative forecasted TCRF revenues from all rate classes shall fully recover the TCRF Annual Billing. The General Manager or their designee may recommend to the PUB and City Council a revision to the TCRF to maintain the City's electric utility in a financially sound position. Any change to the TCRF will be placed on the City Council's consent agenda.

TCRF rate class allocation amount = [(TCRF annual billing) x (Projected rate class kWh usage)] / (Total projected usage for all rate classes).

SECTION 2. The City Manager is hereby authorized to expend funds to authorize credits to Customers on their electric service bills and further to authorize cash incentives ~~for the installation of photovoltaic systems~~ in accordance with the form and type set forth in Schedule GIP, as the installation of energy efficient upgrades is in the best interest of the City, as such will reduce energy demand and consumption, reduce the peak load of the City’s electric system, reduce emissions in the state, and promote energy conservation, which are all public purposes of the City.

SECTION 3. All ordinances or parts of ordinances in force when the provisions of this ordinance became effective which are inconsistent, or in conflict with the terms or provisions contained in this ordinance are hereby repealed to the extent of any such conflict.

SECTION 4. If any section, subsection, paragraph, sentence, clause, phrase or word in this ordinance, or application thereof to any person or circumstances is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council of the City of Denton, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

~~SECTION 5. The rates adopted in Schedule DGR, the Distributed Generation From Renewable Sources Rider, shall become effective, charged, and applied to all electric services rendered by the City, and all energy usage by Customers of the City effective with the first billing issued on and after January 1, 2025; and a copy of said rates shall be maintained on file in the Office of the City Secretary of the City of Denton, Texas.~~

~~SECTION 6. Except as provided in Section 5 above, t~~The rates herein adopted shall become effective, charged, and applied to all electric services rendered by the City, and all energy usage by Customers of the City effective with the first billing issued on and after ~~December 1, 2024~~April 1, 2025; and a copy of said rates shall be maintained on file in the Office of the City Secretary of the City of Denton, Texas.

SECTION 76. This ordinance shall be effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____, seconded by _____, and was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee,				
At Large Place 5:	_____	_____	_____	_____