



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Denton Municipal Electric

**CM/ DCM/ ACM:** Todd Hileman

**DATE:** August 15, 2017

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas Authorizing the City Manager or his designee to execute an Agreement for Interconnection and Parallel Operations of Distributed Generation with Target Corporation for the installation of a solar photovoltaic system; and providing an effective date.

### **BACKGROUND**

Denton Municipal Electric (DME) Customers that choose to install a solar photovoltaic (PV) system on their property which could potentially return electricity to the DME grid, must complete and submit an Agreement for Interconnection and Parallel Operation of Distributed Generation ("Interconnection Agreement") and Application for approval prior to installing their system. DME uses the information provided to perform necessary pre-interconnection studies, including assuring all installations meet all applicable national, local and manufacturer's codes and specifications.

Additionally, the Interconnection Agreement allows DME to track and record locations of installed PV systems, assure PV systems are maintained as required by DME Service Standards and all applicable codes and ordinances, and access is granted to premises for City personnel to inspect, read, test, or disconnect the PV system if a hazardous condition exists or immediate action is necessary to protect persons, City facilities, or other properties.

Target Corporation submitted an Interconnection Agreement and Application to DME on March 21, 2017. The application shows an interest in installing a rooftop PV system that consists of 2,926 solar modules rated at 320 watts and 11 inverters with a maximum alternating current (AC) output of 660 kilo-watts (kW). This will be the largest system on the DME grid. Due to the size of the system, Target was required to complete a pre-interconnection study, which was completed prior to seeking approval of the Interconnection Agreement.

Once the Interconnection Agreement between Target Corporation and City of Denton is executed, Target Corporation will be able to move forward in applying for a building permit and will work to complete the permitting approval process through Building Inspections.

### **Terms of the Interconnection Agreement Include:**

- Identification of system (ID number, location, ownership, etc.)
- Establishing point of interconnection
- Setting testing and approval procedures
- Setting access and inspection rights
- Establishing customer requirements (e.g. maintenance of system)
- Determining City obligations to accept or pay for produced energy

- Note: The City is not obligated to accept or pay for energy produced by any systems or units over 50 kW unless a separate agreement has been entered into.
- Establishing risk and insurance requirements
- Setting procedures for disconnection and/or termination of agreement

As noted above, a term of the Interconnection Agreement requires systems over 50 kW to have a separate agreement in place to set the credit rate for any excess generation returned to the grid. Currently, it is standard that all systems 50 kW or small be placed on Schedule DGR rate, which sets the excess generation credit. However, this year, DME received the two applications for commercial systems that exceed the 50 kW size limitation. In order to fully brief Council on this issue, staff will bring back options regarding the rate to be paid for excess generation from this system at a future meeting.

### **RECOMMENDATION**

Staff recommends approval and execution of Interconnection Agreement with Target Corporation.

### **ESTIMATED SCHEDULE OF PROJECT**

Target Corporation is scheduled to complete the PV system install by the end of 2017.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

This item was presented to PUB on August 14, 2017. PUB recommends approval (5-0)

### **FISCAL INFORMATION**

No action required.

### **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area:   Public Infrastructure**  
**Related Goal:               2.3 Promote superior utility services and facilities**

### **EXHIBITS**

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance

Exhibit 3: Agreement for Interconnection and Parallel Operation of Distributed Generation

Respectfully submitted:  
Bryan Langley  
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