



# City of Denton

City Hall  
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[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Legal / Denton Municipal Electric

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

**DATE:** September 12, 2017

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton authorizing the City Manager, or designee, to execute Agreements for Interconnection and Parallel Operation of Distributed Generation as needed; authorizing the expenditure of funds therefor; and providing an effective date.

### **BACKGROUND**

Denton Municipal Electric (DME) Customers that choose to install a distributed generation (DG) resource which could potentially return electricity to the City's electric grid must complete and submit an Agreement for Interconnection and Parallel Operation of Distributed Generation ("Interconnection Agreement") for approval prior to installing a DG system. This Interconnection Agreement is a vital component of the DG installation application, which is required under the City of Denton's Code of Ordinances, Section 26-54.

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 DG systems, assure DG 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 DG system if a hazardous condition exists or immediate action is necessary to protect persons, City facilities, or other properties.

### **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 (if system is a renewable source)
  - 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

Throughout FY 2017, DME has seen an increase in the volume of customers wishing to install DG resources this trend is expected to continue. At this time, the only interconnected systems are solar panels and battery storage systems. To date in FY 2017, DME has received 45 applications for interconnection for solar installations alone and staff has seen a large volume of inquiries related to applications that will be filed in FY 2018.

In order to increase the efficiency of the application process and expedite the approval timeline, this ordinance will authorize the City Manager, or designee, to execute Interconnection Agreements administratively. For solar customers in particular, this expedited process will increase the City's opportunity to achieve a "silver level" designation through the Department of Energy's SolSmart program.

### **RECOMMENDATION**

Staff recommends the City Council consider adoption of an ordinance authorizing the City Manager, or designee, to execute Agreements for Interconnection and Parallel Operation of Distributed Generation as needed.

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

The Public Utilities Board will consider recommending approval on September 11, 2017 (PUB17-169).

### **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:** Sustainable & Environmental Stewardship  
**Related Goal:** 5.3 Improve energy efficiency and conservation

### **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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