

## UTAH MUNICIPAL POWER AGENCY AND MEMBER CITY

### SOLAR POWER PROGRAM PROGRAM GUIDELINES

#### A. Overview of Program.

This Solar Power Program (Solar Program) gives Commercial and Industrial Customers the opportunity to sell Solar Power to Utah Municipal Power Agency (Agency) under a long-term power sales contract. This Solar Program is designed solely for Commercial and Industrial Customers located within the Member Cities that are 1) in good standing with the Member Electric Utility; 2) build and operate solar generating facilities greater than 25 kW and less than 750 kW, and 3) are willing to comply with the terms and condition of this Solar Program.

The Agency is looking for clean renewable electric power to supplement its power supply to its members. This Solar Program gives Customers the opportunity to tap the potential of solar generation to help supply a portion of the Customer's energy and demand with the support of the Agency and Member Electric Utility.

This Solar Program applies to a Solar Facility that is located at the Customer's Service Address and that has a total capacity of more than 25 kW and not greater than 750 kW. Solar customers with smaller solar generators of less than 25 kW must comply with the Member Electric Utility's Net-Metering Policy. The Agency and its Member Electric Utility currently do not have a policy permitting interconnection of solar generators having a capacity of more than 750 kW. Solar Projects greater than 750 kW will be considered on a case-by-case basis.

The Agency is an all requirements supplier of electricity to its Member Cities of Levan, Manti, Nephi, Provo, Salem and Spanish Fork. For purposes of this Solar Program, the Agency will be the buyer of all solar generation from the Customer. The Agency's Member Electric Utility will continue to be the seller of all electricity at its current and applicable electric rate for the Customer.

The capitalized terms in this Solar Program, its Guidelines, and attachments are defined in Attachment A.

The Agency will accept applications under this Solar Program on a first-come, first-served basis. The Agency may, at any time, cease to accept applications and no longer offer this Solar Program, or modify the solar rate for any reason. The Application Form is attached as Attachment B.

Upon approval of the Application, the Customer will execute a Solar Power Sales Agreement (Power Sales Agreement) as shown in draft form as Attachment C. This requires the Agency to purchase and the Customer to sell all the electricity delivered to the system from the Solar Facility for the estimated useful life of the Facility or to the term of the

Power Sales Agreement. The Agency will receive all renewable energy credits associated with the generation as a condition of the Power Sales Agreement.

In addition, the Customer will execute an Interconnection Agreement (Interconnection Agreement) as shown in draft form as Attachment D. This provides for the Customer Solar Facility's design specifications and interconnection to the Member Electric Utility's System. The Interconnection Agreement provides for the installation of a Production Meter, which is a separate meter that measures the generation from the Solar Facility. The Solar Power delivered to the Agency is a source of power like any other source of power generated or purchased by the Agency.

The Customer's sale of Solar Power to the Agency and interconnection to the Member Electric Utility's system does *not* change the Customer's electric bill and rate from the Utility. The Member Electric Utility will continue to sell, and the Customer will continue to buy retail electricity in the same manner and at the same rate as the Customer did prior to entering the Solar Program. This electricity will be measured through the Customer's Service Meter.

The Agency will pay for all electricity generated under this Solar Program at the following Rate: \$0.060/kWh or 6¢/kWh. This Rate and Solar Program is subject to change at the sole discretion of Agency's Board of Directors and by any participating Member City. However, any approved and executed agreements with Customers will be subject to the terms and conditions, including the agreed upon Rates for the term of the Agreements.

#### **B. System and Circuit Limitations on Renewable Energy Connections.**

The Member Electric Utility's System and the individual circuits within the System are sized for safe and efficient delivery of power. The addition of Renewable Generation can possibly overload and damage the System's equipment because of, among other things, the dramatic and unpredictable fluctuations in the production from Renewable Generation. Therefore, the Agency and its Member may reject a Solar Facility if the Facility would exceed the limitations of the System as a whole or the individual circuit that serves the proposed Solar Facility. In such a case, the Customer may request from the Agency and its Member, at the Customer's expense, a system study that identifies System Upgrades that may resolve these limitations. The Agency and its Member, in their discretion, may approve the Solar Facility based upon the Customer paying for the system study and any recommended System Upgrades.

Because of these system and circuit limitations, completed Applications are accepted and considered on a first-come first-served basis. A completed Application includes all supporting documentation and information reasonably requested by the Agency.

#### **C. Terms of Sales Agreement and Interconnection Agreement.**

It is anticipated that the Agreements executed by the Parties will be substantially the same as these drafts. However, the Agency's General Manager and Member Electric Utility's Manager have the authority to modify the terms of a specific Agreement to address

a Customer's or Member's special circumstances without materially changing the framework, intent, and terms of the draft Agreements.

**D. Sales Price for Energy Produced by Customer's Solar Facility.**

The Rate for the energy from the Customer's Solar Facility is based on an assessment of the benefits and avoided costs that solar generation provides to the Agency. Through this assessment, the Agency seeks to assure that the Customer with a Solar Facility is not subsidizing or being subsidized by other Customers.

Having assessed these benefits and avoided costs, the Agency determines a value for the Solar Power and sets an energy rate, expressed in cents per kilowatt-hour (kWh). The energy rate is based on the typical design standards, location, and normal generation curves for solar production in this region. The Agency's General Manager may lower the Rate if the solar production can be shown that it does not adhere to the design factors, standards, and specifications used in the assessment study.

**E. Steps in Program Approval and Installation Process.**

The following is a summary of the steps that the Customer must complete to qualify for and participate in the Solar Program:

1. Submission of Application and Application Fee. The Customer submits a completed Application (Attachment B) and pays the Application Fee. The completed Application includes all information required by the Application and its instructions, including the design of the Solar Facility

2. Preliminary Engineering Review. The Agency and its Member City will review the Application and supporting documentation to determine whether the Solar Facility would exceed the Member's System and circuit limitations and to identify any System Upgrades that would permit the safe and efficient interconnection of the Facility. The cost of the preliminary engineering review is included in the Application Fee.

3. Design Review and Approval. Upon completion of the preliminary engineering review, the Agency and its Member will complete its design review and will notify the Customer: (a) that the Application has been approved subject to reasonable conditions including the installation of System Upgrades at the Customer's expense or (b) that the Application has been rejected and the reasons for the rejection.

4. Post-Application Approval - Agreements and Fees.

a. The Customer will execute the Power Sales Agreement and Interconnection Agreement that govern the construction, operation, and maintenance of the Solar Facility and the purchase and sale of the Solar Power. The executed Agreements shall govern the parties and supersede and replace these Guideline and description of the Solar Program except to the extent that the Agreements incorporate the Solar Program and its Guidelines.

b. The Customer pays the Member Electric Utility for the estimated cost to make required System Upgrades.

5. Construction of Facility and System Upgrades. The Customer constructs the Solar Facility in a manner consistent with the approved design, the Agreements, Interconnection Standards, industry standards for solar facilities, and applicable building and electrical codes. The Member City constructs the System Upgrades, if any.

6. Testing and Permit to Operate. Upon completion of construction, the Customer tests the Solar Facility to insure compliance with Agreements including applicable codes and submits proof of compliance to the Agency and its Member. If the Facility is in compliance, the Agency and its Member will issue a Permit to Operate and install the Production Meter. The Customer may then close the disconnection switch and begin production.

7. Operation and Maintenance. The Customer and the Agency and its Member will operate and maintain their respective facilities in a manner consistent with the Agreements including Manufacturer Directions and applicable electric codes.

8. Sale/Purchase of Power. As provided in the Power Sales Agreement, the Customer shall sell, and the Agency shall purchase all Solar Power delivered from the Facility for the Agreement's term.

**F. Qualifications to Participate in Solar Program.**

A Customer wishing to participate in the Solar Program must satisfy the following requirements:

1. Commercial or Industrial Class Customer. The Customer must be in good standing as a Commercial or Industrial Class of Customer within the Member City and remain as such class of Customer at the location of the Solar Facility during the term of the Agreements.

2. Technical/Operational Expertise. The Customer must provide documentation showing that the Customer's project development team is qualified to design, construct, operate, and maintain the Solar Facility.

3. Solar Generator Capacity. The proposed Solar Facility must be a solar photovoltaic generator with a capacity of not less than 25 kW or greater than 750 kW. The Solar Facility must be equipped with a smart inverter that permits remote control by the Agency.

4. Agency System and Circuit Limitations. Aggregate total Renewable Generation permitted on the Member Electric Utility's System is 15% of the System's peak demand and on individual circuits is 15% of the circuit's peak demand. If the proposed Solar Facility exceeds either of these limitations, the Customer may pay the cost of System

Upgrades to mitigate the system or circuit impacts of the Solar Facility. In some cases, these system and circuit limitations may prevent additional Solar Facilities from being connected to the System or a circuit.

5. Solar Facility Location and Land Use Compliance. The Solar Facility shall be located on property: (a) where the Member City provides the Customer retail service, (b) that Customer owns or has the right to use for the Solar Facility for not less than the Facility's estimated useful life, and (c) that the land use authority or other governmental authority has approved as a location for a Solar Facility.

6. Application, Agreements, and Fees. The Customer must: (a) submit a completed Application including all supporting documentation and any additional information reasonably required by the Agency and its Member, (b) execute and deliver, upon the approval of the Application, a Sales Agreement and Interconnection Agreement, and (c) must timely pay all fees and costs due the Agency and Member City.

7. Construction, Operation, and Maintenance of Solar Facility. The Customer shall, at its own cost: (a) construct, operate, and maintain the Solar Facility in a manner consistent with the Agreements, Interconnection Standards, and the Program Standards including all applicable permitting, building codes, planning and land use requirements, and (b) deliver and sell all of the output from the Solar Facility to the Agency.

8. Insurance. The Customer shall provide proof of liability insurance appropriate for the size of the Solar Facility. A certificate of insurance shall name the Agency and Member City as additional insureds.

9. Permit to Operate. The Customer shall notify the Agency and Member City of completion of the Solar Facility and provide proof that the Facility was constructed and operates in compliance with the Agreements. If the Solar Facility is in compliance, the Agency and Member City will install the Production Meter and will issue a Permit to Operate. The Customer may then close the disconnect switch and operate the Facility connected to the System.

#### **G. Disconnection and Discontinuance of Service.**

The Agency and Member City may disconnect the Solar Facility if its operation is not consistent with the Agreements or adversely affects other customers. In addition, the Agency and Member City may disconnect the Solar Facility if the Customer transfers the Facility or the property where the Facility is located, unless the new owner satisfies the Program requirements and acknowledges and accepts the terms and conditions of the Agreements and has qualified personnel to operate the Solar Facility.

#### **H. Customer Fees and Costs.**

There is a cost to the Agency and Member Cities for implementing, administering, and managing the program and systems impacts. These costs are not fully recovered in the proposed fees and represent a reasonable portion and accounting for said services. The

Member City may have other building, inspection, and administrative fees not included in the Solar Program. We advise the Customer to contact the City building and permitting office prior to the start of their project to learn all the costs and procedures.

The following fees are approved by the governing boards of the Agency and Member City:

1. Application Fee. The Application Fee is \$300. This fee is to accompany the completed Application (Attachment B) from the Customer to Member City. This Application Fee may be waived at the sole discretion of Member City for any non-profit or governmental Customers. The fee may be changed from time to time by the Agency and Member City.
2. Engineering Fee. The cost of engineering to review the application and system impacts will be covered in the Application Fee.
3. System Upgrade Costs. The costs for upgrading the electrical system will be determined during the Application review and returned to the Customer in the approved Application. The System Upgrade Costs will be paid to the Member City in advance of starting any work by the Customer.
4. Final Inspection and Commissioning Fees. Prior to connecting the Solar Facility to the electric system and commencing operation, the Customer must request and pay a final inspection fee of \$200 to Member City. This inspection fee may be waived at the sole discretion of Member City for any non-profit or governmental Customers.
5. Additional Engineering and Inspection Fees. If Member City occurs additional engineering, inspecting, processing or unusual expenses during the construction and commissioning of the Customer's Solar Facility, the Customer will be invoiced and reimburse Member City prior to connecting the Solar Facility for actual expenses of said additional services.