

LA PLATA ELECTRIC ASSOCIATION, INC.  
DURANGO, COLORADO

**Board of Directors Policy**

Subject: <b>Community Solar Garden Program</b>			Policy No: <b>366</b>
Original Issue: 9/18/2013	Last Revised: 12/17/2014	Last Reviewed: 2/15/2017	Page 1 of 1

**I. OBJECTIVE**

To support and encourage the further development of local renewable energy projects by offering a Community Solar Garden (CSG) program. A CSG program will provide all LPEA members the opportunity to participate in solar electric generation facilities.

**II. POLICY**

- A) LPEA will allow the development of a CSG defined as a solar electric generating facility located within LPEA territory where the beneficial use of electricity generated by the facility belongs to the Subscribers to the solar electric generation facility.
- B) The CSG Program Requirements are subject to amendment by the LPEA Board or Staff without further amendment to this policy. Changes by the LPEA staff shall be administrative or non-material. Any substantive change must be approved by the LPEA Board.
- C) All projects developed under this policy shall be subject to a CSG Contract between LPEA and the Subscriber Organization, which Contract shall comply with this policy and the CSG Program Requirements.
- D) The CSG program and the CSG Program Requirements shall be subject to and conform with contractual obligations of LPEA and all pertinent rules, regulations and laws.
- E) The CSG Program Requirements, the Application, and the Form Contract as amended are attached to this policy.

**III. RESPONSIBILITY**

The Chief Executive Officer is responsible for the administration of this policy.

12/17/14

Date



Secretary

# LPEA Community Solar Garden Program Requirements

## I. Statement of Purpose and Declaration of Intent

It is in the public interest that broader participation in solar electric generation by LPEA members be encouraged by the development and deployment of distributed solar electric generating facilities known as Community Solar Gardens for all LPEA members, and to particularly:

- A) Provide LPEA members who have poor or no solar rooftop space, the ability to participate in solar electric generation;
- B) Allow renters, low-income members, agricultural producers, and all other LPEA members to own interests in solar electric generation facilities;
- C) Encourage contributions to community service and non-profit organizations through offsetting their electricity costs via shares in such a facility;
- D) Allow interests in solar generation facilities to be portable and transferrable; and
- E) Leverage southwest Colorado's solar generating capacity through economies of scale.

## II. Definitions

- A) "Application Period" means the time when LPEA is accepting applications for Community Solar Garden Applications.
- B) "Community Solar Garden (CSG)" means a solar electric generation facility that is located within LPEA territory where the beneficial use of the electricity generated by the facility belongs to the Subscribers to the solar electric generation facility.
- C) "Subscriber Organization" means a legal entity recognized under Colorado law whose purpose shall include operating a CSG.
- D) "Subscription" means a proportional interest in either the solar electric generation facility, or the energy the facility produces, as specified by the Subscriber Organization.
- E) "Subscriber" means a member of LPEA who owns a subscription to the Subscriber Organization.
- F) "True-up" means the annual date on which all excess energy generated for a Subscriber is accounted for by LPEA as detailed in these Program Requirements.

## III. Requirements for Community Solar Gardens

In order to qualify for a CSG authorized by LPEA, a CSG must comply with LPEA requirements, including but not limited to:

- A) The CSG must be located within LPEA territory, must be directly connected to LPEA's grid, and must be installed at a grid location that can safely generate and interconnect the energy as determined by LPEA engineering staff. A request for review by LPEA engineering staff must be

made to LPEA at least 30 days before the deadline for submitting an application for a CSG License, as set forth in section VII A below.

- B) The production of energy by the CSG will be measured and metered by LPEA utilizing a meter that provides interval data..
- C) The CSG must have an aggregate inverter rating of greater than 50kW and no greater than 500 kW.
- D) A Subscriber Organization of a CSG must have at least 10 LPEA member subscribers before the CSG will be interconnected. While a member with multiple meters may include all or some of those meters in their subscriptions, one member will only count as one subscriber. The CSG application must demonstrate both the intent of at least 10 LPEA members to subscribe, and that the intended subscribers will cover at least 50% of the CSG system production.
- E) At least one of the Subscribers must have qualified as a non-profit organization registered with the IRS. If the non-profit organization ceases to be an LPEA member, the Subscriber Organization shall have 60 days to obtain another qualifying non-profit member.
- F) The CSG may be built, constructed, owned, and operated by a third party under contract with the Subscriber Organization.
- G) CSGs shall report production data at least every hour to an online monitoring service that shows both current data and historical production data. The monitoring service must have a publicly available link so any interested LPEA member can track the total CSG energy production.
- H) Each CSG shall be subject to a contract between the Subscriber Organization and LPEA that shall list the specific requirements, including interconnection, transmission, reporting, and other provisions.
- I) The cost to interconnect to LPEA's grid, as well as the cost associated with any changes to the existing grid caused by the CSG, will be paid by the Subscription Organization per LPEA's Line Extension Policy as amended.

#### **IV. Requirements for Subscriber Organizations**

Subscriber Organization must comply with LPEA requirements for obtaining and maintaining a CSG License from LPEA, including but not limited to:

- A) The Subscriber Organization may be any legal entity recognized by Colorado law.
- B) The Subscriber Organization shall determine method and terms by which subscriptions are sold to Subscribers.
- C) The Subscriber Organization shall confirm with LPEA that the proposed Subscriber is a member of LPEA.
- D) The Subscriber Organization shall provide LPEA a monthly report consisting of its current list of Subscribers and how many kWhs are to be offset in the Subscribers bill in electronic format

as specified by LPEA. This report is due to LPEA within five days following the end of the previous month.

- E) Changes in the Subscriber rolls of the CSG, including the effective date of changes, and changes to the non-profit member shall be communicated by the Subscriber Organization to LPEA, in electronic form, on no less than a monthly basis.
- F) The Subscriber Organization shall establish and maintain a clear policy and method for its Subscribers to transfer or assign (sell) all or part of their Subscription to other qualified LPEA members who are or wish to become Subscribers.
- G) Electricity generated by a CSG not assigned to a Subscriber will be purchased by LPEA from the Subscriber Organization at LPEA's average wholesale rate as described in tariff NM on a once a year "true-up" in April.
- H) The Subscriber Organization shall make a monthly and annual report available to all its Subscribers of the total CSG energy generated, and energy attributed to each Subscriber's account.
- I) The Subscriber Organization shall treat its Subscribers fairly and without discrimination. The Subscriber Organization shall disclose to any prospective Subscriber any and all material specifications of the CSG. The Subscriber Organization shall also provide any potential Subscriber with a "LPEA Disclaimer" as drafted and provided to the Subscriber Organization by LPEA.
- J) The Subscriber Organization shall insure that a CSG shall comply with all jurisdictional land use and zoning laws and any other applicable laws.

## **V. Requirements for CSG Subscribers**

Subscribers must comply with the following LPEA requirements, including but not limited to:

- A) The Subscriber must be a member of LPEA.
- B) No single Subscriber may subscribe to more than sixty percent of the output of the CSG.
- C) Monthly compensation to the Subscriber for their share of the output from a CSG shall take the form of a net metering energy offset on the CSG Subscriber's bill from LPEA.
- D) If the Subscriber moves, the Subscription may be moved to the new meter, so long as the premises are within LPEA territory.

## **VI. Requirements for CSG Subscriptions**

Subscriptions must comply with the following LPEA requirements:

- A) Each Subscription will be associated with a single meter. A Subscriber may have several LPEA meters, and may have a CSG Subscription for each of those meters.

- B) The maximum size of an initial aggregate Subscription shall provide no more than 120% of the annual consumption of electricity for the meter to which the Subscription is associated. For new services LPEA will estimate the annual consumption.
- C) Prices paid for Subscriptions to the CSG shall be set by the Subscriber Organization.

## **VII. LPEA's Obligations**

- A) LPEA shall accept applications for a CSG License under the following requirements:
  - 1. The LPEA provided CSG application form attached shall be used. Applicants shall be allowed to modify and amend an incomplete Application, as determined after review by LPEA staff and the LPEA Board of Directors review committee, prior to consideration by the LPEA Board of Directors. It shall be grounds for denial of an Application by the LPEA Board of Directors if an Application is deemed incomplete or inaccurate by the LPEA staff or LPEA Board of Directors review committee.
  - 2. Applications for CSG projects must be submitted electronically in accordance with deadlines set by the LPEA Board.
  - 3. The Subscriber Organization shall provide LPEA a deposit for each application of \$50 per kilowatt of the planned CSG size within 5 business days of the application being delivered.
  - 4. The deposit shall be refunded within two months after the CSG achieves commercial operation as determined by LPEA.
  - 5. If the CSG is not operational within three months of the intended operational date the deposit will be forfeited. Exceptional circumstances that would delay the operational date may be considered by LPEA to avoid forfeiture of deposit.
  - 6. A CSG application may be withdrawn by CSG developer, but if not withdrawn by three months before the operational date, the deposit will be forfeited.
- B) LPEA may approve applications of newly installed and interconnected CSG generation in so long as the aggregate amount does not conflict with LPEA's contractual obligations and all pertinent rules, regulations, and laws.
- C) The LPEA Board of Directors will accept applications during an Application Period from Subscriber Organizations and consider them on the following criteria:
  - 1. Demonstrate LPEA member ownership, development, and/or financing.
  - 2. Demonstrated control of site.
  - 3. Percentage of project subscribed.
  - 4. Demonstrated number of subscribers.
  - 5. Site location.
  - 6. Size of project.
  - 7. Demonstration of bond or irrevocable letter of credit to guarantee sufficient operating funds and for equipment replacement or site reclamation.
  - 8. Demonstration of steps required to get necessary governmental approvals and permits.

- D) LPEA shall account for the net metering credit against the Subscriber's electric bill within 30 days after the data is provided for the meter associated with each CSG Subscription, in accordance with the monthly report provided by the Subscription Organization.
- E) LPEA shall strive to provide Subscribers with a net metering credit that mirrors, as closely as LPEA can reasonably calculate, the credit that the Subscriber would have received if the solar electric generating facilities were installed behind the Subscriber's meter. The net metering credit shall be calculated by multiplying the Subscriber's monthly share of the electricity production of the CSG, as established by the Subscriber Organization in kWh, by the rate the Subscriber is charged for electricity at the Subscriber's service location. Provided, however, that Subscribers who are billed under one of LPEA's Time-of-Use Tariffs shall receive credit using a blended rate between on-peak and off-peak rates based upon generation of solar during on- and off-peak times. The net metering credit shall be deducted from the Subscriber's monthly bill to arrive at the total amount owed by the Subscriber.
- F) If a Subscriber's net metering credit exceeds the Subscriber's electric energy usage in any billing period, the net metering credit shall be carried forward by LPEA and applied against future bills until the date of annual true-up. The date of the annual true-up shall be on the date of the Subscriber's monthly bill in April.
- G) At the annual true-up, LPEA will pay for excess energy, up to 20% over the Subscriber's yearly total electrical usage amount at LPEA's current average wholesale rate. No payment will be made for subscriber energy above 20% of annual usage.
- H) Disposition of the Renewable Energy Credits will be negotiated and included in the contract.

## **VIII. Default and Termination**

- A) If a Subscriber Organization fails to comply with a provision of Policy 366 or the CSG Requirements, or with a provision of the contract for the CSG License, LPEA may revoke the Subscriber Organization's CSG License.
- B) Before revoking the license, LPEA must provide written notification to the Subscriber Organization of the noncompliance, which shall be considered a default, and the Subscriber Organization shall have 30 days from the date of written notice to bring the license into compliance.
- C) If a Subscriber Organization's license is revoked for failure to cure the default, LPEA shall terminate the connection of the CSG to the LPEA distribution system.
- D) The Subscriber Organization may reinstate a revoked license by curing the default and paying a reinstatement fee covering the costs for re-connecting the CSG to the LPEA distribution system. Upon reinstatement, the Subscriber Organization shall have all rights, privileges and obligations as set forth in the contract for license as if there had not been a default.

## **IX. Dispute Resolution Process**

- A) A Subscriber may file a complaint with LPEA regarding (i) the CSG to which the Subscriber subscribes, or (ii) the Subscriber Organization for the CSG.

- B) Such a complaint shall be in written form and include the names and addresses of the Subscriber, the Subscriber Organization, and the CSG, and set forth a clear and concise statement of the facts underlying the complaint and the relief the complainant seeks.
- C) Copies of the written complaint must be provided to LPEA, the Subscriber Organization, and all other subscribers of the CSG. Written responses to the complaint must be submitted to LPEA within 15 days from the date the complaint was submitted to LPEA.
- D) LPEA shall set the matter for hearing at the next regularly scheduled and properly noticed board meeting. The Complainants and those responding to the complaint may supplement their written filings with oral testimony and written documentation at the hearing.
- E) The LPEA Board shall review the complaint, the responses, and hear testimony presented during the hearing and render a decision no later than the end of the next regularly scheduled and properly noticed Board meeting.
- F) The scope of the review is whether the Subscriber Organization has violated, breached or is in noncompliance of this Policy, the CSG Requirements, or its contract with LPEA. If LPEA finds that the Subscriber Organization is in default then the Default and Termination procedure herein shall be followed.

## **X. Indemnification**

- A) The Subscriber Organization shall indemnify, hold harmless and defend LPEA from any and all losses, injuries, damages, and other costs LPEA may incur, including but not limited to reasonable attorney fees and costs, arising out of challenges, claims, or lawsuits by third parties as a result of activity engaged in by the Subscriber Organization in the operation of the CSG or arising from activity of the Subscriber Organization under the contract with LPEA, Policy 366, and/or the CSG Requirements.

(As approved on 9/18/13, and amended on 12/17/14 and 2/15/17 by the LPEA Board.)