



SEATTLE CITY COUNCIL

Legislative Summary

CB 119516

Record No.: CB 119516

Type: Ordinance (Ord)

Status: Passed

Version: 2

Ord. no: Ord 125903

In Control: City Clerk

File Created: 04/02/2019

Final Action: 09/06/2019

Title: AN ORDINANCE relating to the City Light Department; authorizing a large solar program for customers with solar photovoltaic systems sized larger than 100 kilowatts and not greater than two megawatts; and adding a new Section 21.49.083 to the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: Alan.Matthews@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	04/30/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	04/30/2019	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	05/02/2019	sent for review	Housing, Health, Energy, and Workers' Rights Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee						
	Notes:						

1	City Council	05/13/2019	referred	Housing, Health, Energy, and Workers' Rights Committee	
	Action Text: The Council Bill (CB) was referred. to the Housing, Health, Energy, and Workers' Rights Committee				
1	Housing, Health, Energy, and Workers' Rights Committee	08/15/2019	pass as amended	09/03/2019	Pass
	Action Text: The Committee recommends that City Council pass as amended the Council Bill (CB).				
	In Favor: 2 Chair Mosqueda, Member Bagshaw				
	Opposed: 0				
1	City Council	09/03/2019	passed as amended		Pass
	Action Text: The Motion carried, the Council Bill (CB) was passed as amended by the following vote, and the President signed the Bill:				
	Notes: Councilmember Harrell left the Council Chamber at 3:24 p.m.				
	Councilmember Harrell entered the Council Chamber at 3:25 p.m.				
	<u>ACTION 1:</u>				
	Motion was made by Councilmember Mosqueda, duly seconded and carried, to amend Council Bill 119516, by substituting version 6 for version 1a.				
	<u>ACTION 2:</u>				
	Motion was made and duly seconded to pass Council Bill 119516 as amended.				
	In Favor: 9 Councilmember Bagshaw, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Juarez, Councilmember Mosqueda, Councilmember O'Brien, Councilmember Pacheco, Councilmember Sawant				
	Opposed: 0				
2	City Clerk	09/06/2019	submitted for Mayor's signature	Mayor	
2	Mayor	09/06/2019	Signed		
2	Mayor	09/06/2019	returned	City Clerk	
2	City Clerk	09/06/2019	attested by City Clerk		
	Action Text: The Ordinance (Ord) was attested by City Clerk.				

CITY OF SEATTLE

ORDINANCE

125903

COUNCIL BILL

119516

AN ORDINANCE relating to the City Light Department; authorizing a large solar program for customers with solar photovoltaic systems sized larger than 100 kilowatts and not greater than two megawatts; and adding a new Section 21.49.083 to the Seattle Municipal Code.

WHEREAS, solar technology is decreasing in cost, leading to growing customer interest in installing large solar arrays on commercial facilities; and

WHEREAS, solar energy is an integral piece of Seattle's Climate Action Plan, including the Living Building and 2030 Challenge Pilots; and

WHEREAS, customers with large solar photovoltaic (PV) systems do not qualify for net metering per SMC 21.49.082 and RCW 80.60.020; and

WHEREAS, the City Light Department of The City of Seattle (City Light) would like to offer a policy path to customers wishing to install large PV arrays; and

WHEREAS, similar to its approach to energy efficiency programs, City Light seeks to encourage customers to install PV systems sized to offset their building's own use, thereby minimizing financial impacts for other customers; and

WHEREAS, City Light seeks to compensate customers exporting electricity to the grid at a fair value based on the aggregate benefits this electricity provides to all customers; and

WHEREAS, City Light has general authority to enter into agreements for the acquisition of energy NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Section 21.49.083 is added to the Seattle Municipal Code as follows:

21.49.083 Large Solar Program

1 A. The Large Solar Program shall be open to customers operating solar photovoltaic
2 (PV) arrays sized larger than one hundred kilowatts and not greater than two megawatts,
3 measured as alternating current (AC). To be eligible for the program, a PV array must be
4 connected to a customer premises located within the Department's service territory and be
5 equipped with a two-way advanced meter capable of measuring both consumption and outbound
6 power exports.

7 B. To participate, customers must enter into an interconnection agreement with the
8 Department and to comply with all its terms. The Department may adopt any interconnection
9 requirements as necessary to protect public safety and system reliability.

10 C. Large solar program customers shall be metered, billed, and credited according to
11 the following provisions:

12 1. The customer's two-way advanced meter will measure accumulated kilowatt
13 hours of inbound retail consumption and outbound exported power.

14 2. Any electricity produced by the customer's solar PV array may be used to reduce
15 inbound retail electricity consumption at the customer's rate schedule for electric service.

16 3. Electricity generated in excess of that consumed by the customer may be exported
17 to the Department's system. Accumulated kilowatt-hours of exported electricity shall be
18 measured by the advanced meter and each customer will be credited for exported electricity
19 according to the same Large Customer Solar Export Rate, which reflects the value of the power
20 and grid benefits. The rate for all customers will be the same according to the effective date
21 provided in Section 21.49.083, regardless of the beginning date of the interconnection agreement
22 between the Department and the customer and may be updated over time, but will initially be set
23 as the following:

Large Customer Solar Export Rate

	Effective April 1, 2019	Effective January 1, 2020
Export Credit cents per kWh	3.51	3.16

4. The customer shall retain ownership of all environmental, social, and other non-power attributes of the electricity produced by their PV system, irrespective of whether it is consumed on-site or exported.

5. Customers totalizing multiple meters per Section 21.49.090 may integrate their PV array into their totalized service. Otherwise, meter aggregation across multiple customer premises shall not be permitted.

6. Customers that permit and complete buildings under the terms of the Living Building Pilot outlined in SMC 23.40.060, or receive Living Building Challenge certification for a building within City Light service areas outside of the City of Seattle before December 31, 2025 will receive annual net metering as described in SMC 21.49.082. The maximum solar array allowed under this provision is 250 kW. Affordable housing performing under high energy efficiency standards can be considered for a higher net metered threshold on a case by case basis.

7. The program will remain open for eligible customers until at least December 31, 2021. Until December 31, 2035, the Department will honor the terms of the large solar program for interconnected participants and guarantee an annual export rate of at least 1.8 cents per kWh.

Section 2. City Light shall provide a yearly evaluation and report on program performance to City Council by August 31, 2020 and August 31, 2021. The reports shall be submitted in writing to the member of the Housing, Health, Energy, and Workers' Rights

1 committee, or successor committee, The August 31, 2020 report shall include preliminary
2 recommendations for any program modifications to continue the program beyond December 31,
3 2021. The August 31, 2021 report shall include final recommendations.

4 Section 3. City Light shall convene labor, housing, energy and environmental advocacy,
5 and industry stakeholders to participate in the evaluation of the program and development of
6 recommendations described in Section 2 of this Ordinance. City Light shall engage the
7 stakeholders to consider and evaluate:

8 A. Ways to advance labor standards through the program.

9 B. Impacts to housing affordability and participation of affordable housing providers in
10 the program.

11 C. Alignment of the program with Seattle's climate goals.

12 D. Impacts of new technology or emerging policy changes that affect the program.

13 E. Applicability of other green building certifications as eligibility for net-metering.
14

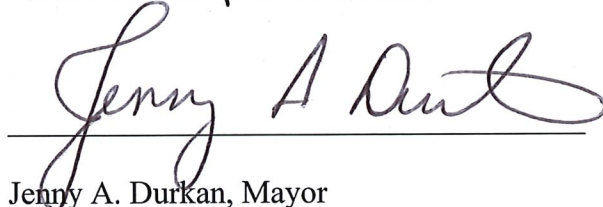
Section 4. This ordinance shall take effect and be in force 60 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 3rd day of September, 2019,
and signed by me in open session in authentication of its passage this 3rd day of
September, 2019.



President _____ of the City Council

Approved by me this 6th day of September, 2019.



Jenny A. Durkan, Mayor

Filed by me this 6th day of September, 2019.



Monica Martinez Simmons, City Clerk

(Seal)



SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle City Light	Brendan O'Donnell/733-9265	Greg Shiring/386-4085

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the City Light Department; authorizing a large solar program for customers with solar photovoltaic systems sized larger than 100 kilowatts and not greater than two megawatts; and adding a new Section 21.49.083 to the Seattle Municipal Code.

Summary and background of the Legislation: This ordinance establishes a large commercial solar program for solar photovoltaic (PV) systems greater than 100 kW and not greater than 2 MW.

The number of solar rooftop PV systems in City Light's service territory is growing. Current state law divides the solar market by the capacity of the PV system. Per state law (chapter 80.60 RCW) City Light treats systems under 100 kW as net metered, whereby excess energy generation is banked annually and credited at the retail rate. City Light currently has approximately 3,000 net metered customers with a total generating capacity of approximately 20 MW.

For larger systems over 100 kW, customers are required to negotiate custom terms with City Light. Currently there are four systems larger than 100kW in our service territory, and each is administered through a custom agreement negotiated with the Department.

The large solar program addresses this policy gap by setting standards, rules, and rates for customers wishing to integrate PV systems that are too large to qualify for net metering under State and City law but are too small to be considered utility-scale bulk power producers. This program will provide a clear decision framework for commercial customers contemplating PV system investments, while also streamlining the business process for City Light.

Because this policy relates to an emergent customer need and new technology, it is structured as a pilot, to allow City Light opportunity to study financial and administrative impacts and adjust program parameters as needed.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes ___X___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes ___X___ No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The time-limited nature of this pilot program (2.5-year enrollment period) is intended to minimize potential financial risk for the utility and our customer-owners. We estimate that five to ten customers would participate during the pilot period. Assuming this program adds 1.5 MW of solar capacity and exports 25% of generated energy back onto City Light's system, this would result in a credit of \$10,000-\$15,000 annually to participating customers.

Is there financial cost or other impacts of *not* implementing the legislation?

This program proposal arises directly from customer requests for a more streamlined and standard policy path for installing large PV arrays. The current ad-hoc policy approach for large solar is a drain on staff resources, and it is not conducive to enabling customers to secure funding and set construction timelines. If Seattle is not sufficiently responsive, customers and developers might instead push for state legislation, in which case Seattle would lose the opportunity to establish our own policy parameters and lead the region in this area. Thus, it is in the City's best interest to demonstrate leadership by providing a standard offering.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The program authorized by legislation supports the Climate Action Plan lead by the Office of Sustainability and the Environment (OSE) and the Living Building Challenge lead by the Department of Construction & Inspections (SDCI).

b. Is a public hearing required for this legislation?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

e. Does this legislation affect a piece of property?

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The program structure and pricing are intended to minimize the cost-shifting or subsidy of solar customers by general ratepayers, including those more vulnerable to increasing electric rates. Going forward, the utility is exploring options, beyond our solar grant program for

non-profits, to lower barriers so that customers (residential and commercial) have an opportunity to choose solar and other clean power alternatives.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

List attachments/exhibits below:

Summary Attachment 1 – Commercial Solar Program Pilot – Pricing Overview

Summary Attachment 2 – National Trends in Net Electric Metering and Distribution Generation Valuation Methods

STATE OF WASHINGTON -- KING COUNTY

--SS.

377833

No.

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

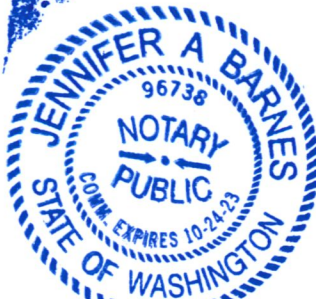
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:125898-125912 TITLE

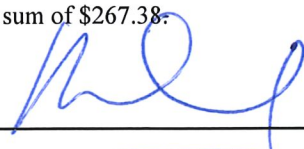
was published on

09/19/19

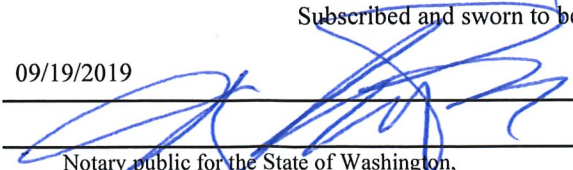
The amount of the fee charged for the foregoing publication is the sum of \$267.38.



Affidavit of Publication


Subscribed and sworn to before me on

09/19/2019


Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on September 03, 2019, and published below by title only, will be mailed upon request, or can be accessed at <http://seattle.legistar.com>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Ordinance 125898

Council Bill 119611

AN ORDINANCE appropriating money to pay certain audited claims for the week of August 5, 2019 through August 9, 2019 and ordering the payment thereof.

Ordinance 125899

Council Bill 119612

AN ORDINANCE appropriating money to pay certain audited claims for the week of August 12, 2019 through August 16, 2019 and ordering the payment thereof.

Ordinance 125900

Council Bill 119613

AN ORDINANCE appropriating money to pay certain audited claims for the week of August 19, 2019 through August 23, 2019 and ordering the payment thereof.

Ordinance 125901

Council Bill 119584

AN ORDINANCE relating to residential rental properties; conforming the Seattle Municipal Code with changes in state law; amending Sections 7.24.020, 7.24.030, 22.202.080, 22.206.160, 22.206.180, 22.210.030, and 22.902.120 of the Seattle Municipal Code.

Ordinance 125902

Council Bill 119601

AN ORDINANCE relating to the construction of protected bicycle lanes; requiring major paving projects to include protected bicycle lanes as identified in The City of Seattle Bicycle Master Plan; and adding a new Chapter 15.80 to the Seattle Municipal Code.

Ordinance 125903

Council Bill 119516

AN ORDINANCE relating to the City Light Department; authorizing a large solar program for customers with solar photovoltaic systems sized larger than 100 kilowatts and not greater than two megawatts; and adding a new Section 21.49.083 to the Seattle Municipal Code.

Ordinance 125904

Council Bill 119571

AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Energy Imbalance Market, including the ability to execute additional agreements necessary or convenient to participating in the Western Energy Imbalance Market.

Ordinance 125905

Council Bill 119577

AN ORDINANCE relating to City employment; adopting a 2019 Citywide Position List.

Ordinance 125906

Council Bill 119578

AN ORDINANCE relating to City employment; adjusting the pay zones for titles in the City's Power Marketing Compensation Program; establishing changes to provisions in the Power Marketing Compensation Program; and ratifying and confirming certain prior acts.

Ordinance 125907

Council Bill 119591

AN ORDINANCE relating to the City Light Department; declaring certain real property rights surplus to the needs of the City Light Department and authorizing the sale of a portion of the property to Snohomish County for road purposes; reserving an easement for electric transmission line purposes; and accepting the payment of fair market value for the property rights sold.

Ordinance 125908

Council Bill 119603

AN ORDINANCE relating to the transfer of City real property for housing development; declaring the property located at 1314, 1326, and 1336 Yakima Avenue South ("PMA 1594") surplus to the City's needs; transferring the jurisdiction of this property from the Department of Finance and Administrative Services to the Office of Housing; authorizing its transfer to Homestead Community Land Trust or its designee; and authorizing the Director of the Office of Housing to execute and deliver the contract for transfer of land, deed, and related documents.

Ordinance 125909

Council Bill 119498

AN ORDINANCE relating to the City Light Department; accepting statutory warranty deeds to the Massnick and Levins properties in Pend Oreille County, Washington, both to be managed as Project Habitat Lands as required by the Federal Energy Regulatory Commission (FERC) License Order for the Boundary Hydroelectric Project; and placing said lands under the jurisdiction of the City Light Department.

Ordinance 125910

Council Bill 119533

AN ORDINANCE relating to the City Light Department; accepting various easements for overhead and underground electrical rights in King County, Washington; placing said easements under the jurisdiction of the City Light Department; and ratifying and confirming certain prior acts.

Ordinance 125911

Council Bill 119534

AN ORDINANCE relating to the City Light Department; accepting various easements for overhead and underground electrical rights in King County, Washington; placing said easements under the jurisdiction of the City Light Department; and ratifying and confirming certain prior acts.

Ordinance 125912

Council Bill 119592

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer to negotiate for and purchase or lease up to two parcels of land and acquire other real property rights as necessary or desirable for the purpose of providing temporary housing for City Light personnel and contractors at the Boundary Hydroelectric Project in Pend Oreille County, Washington, and for other municipal utility purposes.

Date of publication in the Seattle Daily Journal of Commerce, September 19, 2019.

9/19(377833)