

CITY OF MEDICINE HAT
STRATEGY & ANALYSIS DEPARTMENT
Net Billing Agreement for Micro-Generators

In consideration of the City of Medicine Hat Electric Utility ("City Electric") agreeing to allow you to connect your 5,000 kW or smaller generation facility to City Electric's distribution system, City Electric requests that you understand and accept the following terms and conditions:

1.0 Eligibility

- 1.1** Your generation facility must generate electricity solely from wind, a drop in water elevation, solar radiation, an agricultural bio-mass resource, or any combination of the foregoing. You and your generation facility must comply with Electric Utility Bylaw #2244 as replaced or amended or from time to time.
- 1.2** You represent and warrant that the total generation capacity of your generation facility is equal to or less than the approved system size (watts DC or watts AC) as determined by the City's review. You agree that you will not make any alteration to the design or operation of your generation facility, including, but not limited to, the total generation capacity of your generation facility, without the prior written approval of the City of Medicine Hat.
- 1.3** The electricity generated by your generation facility must be primarily for your own use.
- 1.4** The microgeneration system must be designed and installed by a qualified installer, and system components must meet the Canadian Standards Association requirements for electrical safety, or equivalent certification to applicable Canadian standards and must be grid connected in accordance with the Government of Alberta's *Micro-generation Regulation* (AR27/2008), as amended from time to time.
- 1.5** The maximum cumulative output capacity of the equipment used to generate electricity shall be no greater than 5,000 kW based on the rated maximum output capacity of the equipment.

2.0 Technical Requirements

- 2.1** You agree to have special transfer and isolating capabilities installed on your generation facility if you wish to run it during a power outage affecting City Electric's distribution system. You also agree that your generation facility must be disconnected from City Electric's distribution system during such an outage.
- 2.2** You have installed an isolation device satisfying the requirements of City Electric and agree that City Electric may operate your isolation device as required for the maintenance and repair of the distribution system.
- 2.3** You agree to have regular scheduled maintenance performed on your generation facility in order to assure that connection devices, protection systems, and control systems are maintained in good working order and in compliance with all applicable laws, statutes, codes, licensing requirements, directives, rules, regulations, protocols, policies, orders, injunctions, rulings, awards, judgments or decrees or any requirement or decision or agreement with or by any government or government department, commission, board, court authority or agency.
- 2.4** You agree to meet the requirements as outlined in the City Electric's – "Micro-Generation / Distributed Energy Resource Interconnection Guide." Additional requirements may be necessary to address unique situations, and microgenerators will be advised of any additional requirements at the appropriate assessment stage.

3.0 Liabilities

- 3.1** You agree that the design, installation, maintenance, and operation of your generation facility will not jeopardize the safety and security of both the generation facility and City Electric's distribution system. This includes, but is not limited to, automatic disconnection of your generation facility from City Electric's distribution system in the event of a power outage affecting City Electric's distribution system or any abnormal operation of City Electric's distribution system. You agree that the protective relay settings of your generation facility are as specified to corresponding tables in City Electric "Micro-Generation / Distributed Energy Resources Interconnection Guide."
- 3.2** You agree that in the event City Electric, in its sole discretion, determines that your generation facility is damaging and/or is producing adverse effects on other City Electric customers or on City Electric's distribution system assets or equipment, you will disconnect your generation facility immediately from City Electric's distribution system and correct the problem at your expense, and you will indemnify and hold harmless City Electric for all such damages and/or adverse effects.
- 3.3** Notwithstanding Section 3.2, you agree that in cases where your generation facility is connected to a City Electric transformer that you are responsible for and will indemnify and hold harmless City Electric for any and all damage to City Electric's distribution system assets or equipment caused by the operation of your generation facility.
- 3.4** You agree to indemnify and hold City Electric harmless from and against all costs, expenses, damages, claims, liabilities, and adverse effects resulting from: (i) your breach of this agreement, (ii) your negligence or willful misconduct in connection with the operation of your generation facility or the interconnection between your generation facility and City Electric distribution system, and (iii) any damage or adverse effects on other City Electric customers or on City Electric's distribution system assets or equipment.
- 3.5** Notwithstanding Section 3.4, you shall not be liable to City Electric under any circumstances whatsoever for any loss of profits or revenues, business interruptions losses, loss of contract or loss of goodwill, or for any indirect, consequential, incidental, or special damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise. For purposes of this Agreement, damages claimed by third parties shall not be considered indirect, consequential, incidental, or special damages, regardless of the type of damages being claimed.

4.0 Compensation and Billing

- 4.1** As micro-generator customer you are permitted to generate only enough power to offset all, or a portion, of your annual energy usage. Your micro-generation generating units (less than 5,000 kW and connected to City Electric distribution system) are to produce electric energy for personal use and are to be less than your yearly consumption at the site. Depending on how much you generate, you will either be a small micro-generator (up to 150 kW) or a large micro-generator (150kW – 5,000 kW). As a micro-generator you agree to be billed on a net billing basis and the following applies:
- 4.2** If you do not use all the energy produced in a billing cycle, you will receive a credit for any energy (measured in kWh) that you put onto the distribution system.
- 4.3** You will be credited at a rate equivalent to your existing retail energy rate. The micro-generation credit rate (\$/kWh) for large commercial and industrial customers on Energy Supply Price (ESP) commodity contracts will be a rate equivalent to the contract energy rate (\$/kWh) as determined by the City of Medicine Hat each month.
- 4.4** You will be billed monthly.

4.5 If your net consumption for a billing period is zero, or results in a credit, the distribution charges of your bill still apply and will be based on the energy delivered to your site. Distribution charges include, but are not limited to, facilities usage, capacity charge, environmental conservation charge, and variable MCAF fees.

4.6 If your energy generation exceeds your yearly consumption, or exceeds the approved system size under s.1.2, City electric may revise your eligibility for micro-generation connection or your approved system size under s.1.2.

5.0 Environmental Attributes

5.1 You acknowledge that attributes of an environmental or similar nature can be created or otherwise arise from the generation of electricity through micro-generation (the “environmental attributes”)

5.2 You agree to one of the following options regarding ownership or transfer of ownership of any environmental attributes. Ownership of the environmental attributes will be with the City of Medicine Hat if you do not select one the option below for you to retain ownership of the environmental attributes.

- ☐ You attest that said the environmental attributes have not been retired, claimed, sold, or otherwise used or transferred to another party. You consent and agree that the City of Medicine Hat shall be the aggregator of the micro-generation and the City of Medicine Hat shall own any environmental attribute that is created or otherwise arises from the generation of electricity from your micro-generation. The City of Medicine Hat shall be entitled to retire, claim, sell or otherwise use or transfer all such environmental attributes. You consent and agree that the City of Medicine Hat shall be allowed access to and shall take all steps necessary to provide the City of Medicine Hat access to appropriate tracking data until a time in which operation of the micro-generation is permanently suspended. _____ initials required.
- ☐ You consent to retain ownership, including the ability to retire, claim, sell or otherwise use or transfer ownership to another party of any environmental attribute that is created or otherwise arises from the generation of electricity from your micro-generation. _____ initials required.

6.0 Connection Costs

6.1 You agree to pay for the actual cost of modifications and upgrades to the distribution facilities required to connect your generation facility. City Electric will pay for the cost of the bi-directional billing meter required for the installation.

7.0 Future Charges and Repayment of Metering Costs

7.1 You agree to pay, if required, any current or future charges or tariffs as approved by the City of Medicine Hat City Council with respect to the connection of your generation facility to City Electric’s distribution system.

8.0 Termination

8.1 You may terminate this Agreement at any time by providing City Electric with 30 days written notice.

8.2 You agree that City Electric reserves the right to terminate this Agreement on 30 days written notice:

- 8.2.1** If City Electric discontinues the net billing program; or
- 8.2.2** If you breach a term of this Agreement, and do not remedy the breach within 30 days of receiving written notice from City Electric of the breach;
- 8.2.3** If any change in law occurs (including, without limitation, any change to an Alberta micro-generation regulation, whether the regulation is expressly applicable to City Electric operations or not) that affects the City of Medicine Hat’s rights or

8.2.4 If you no longer qualify as a micro-generator.

- 8.3** You agree that upon termination of this Agreement, you must disconnect your generation facility from City Electric distribution system in a timely fashion and to City Electric's satisfaction.
- 8.4** You agree that if this Agreement is terminated, you will not be permitted to return eligible electricity to City Electric for the purpose of being billed on a net billing basis.
- 8.5** You agree that if your property is sold, this Agreement is terminated as of the date of the sale. The new owner will be required to complete a new agreement if micro-generation is to be left connected to City Electric distribution system. It is your responsibility to advise City Electric of the pending sale of your property and to advise the new owner of the existence of this micro-generation agreement.
- 9.0 General**
- 9.1** You agree that this Agreement shall be binding upon you and your heirs, executors, administrators, successors, and assigns.
- 9.2** You agree that this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and any action or proceeding brought to interpret or enforce this contract shall be commenced in the court of Alberta and not elsewhere.
- 9.3** You agree that none of the terms and conditions of this Agreement shall be modified or waived by any agreement or representation of any agent or employee of City Electric unless by prior written authority.

I understand, accept, and agree to comply with and be bound by the above terms and conditions governing the connection of my generation facility to City Electric's distribution system.

Customer Signature: _____ Date: _____

Print Customer Name: _____

Property Address: _____