

RESOLUTION R2022-3

**A RESOLUTION AUTHORIZING THE GALLUP ELECTRIC DEPARTMENT TO AFFIRM
THE NET METERING PROGRAM AND ESTABLISHING AND ADOPTING**

ASSOCIATED POLICY

WHEREAS the City of Gallup recognizes the benefits of renewable energy generation to the community and the environment; and

WHEREAS the City Council did on April 14, 2009, pass Resolution R2009-7 which allowed interconnection of any customer owned renewable energy generating system to its electric system; and

WHEREAS the resolution and its attendant policy Agreement for Parallel Interconnection, allowed a residential customer to install up to 10 kw of renewable generation on their property; and

WHEREAS there was a policy statement lowering the allowable generation to 80% of annual usage and another policy statement raising the allowable renewable generation to 100% of annual usage, neither of which received Council approval for the amendment of the previously passed resolutions; and

WHEREAS a Subsequent Resolution, R2011-18 was passed on April 26, 2011 which addressed allowing interconnected, net metered renewable systems installed on governmentally operated facilities, including federal, state, local and tribal government up to 75 kw; and

WHEREAS there is a need to incorporate both for profit and non-profit private entities into these processes.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GALLUP, NEW MEXICO that the Gallup City Electric Department is authorized to continue the implementation of Resolutions R2009-7 and R2011-18 and their attendant installed renewable installations of 10 kw and 75 kw respectively; that Appendix "A", the agreement for Parallel Connection be amended to remove the requirement that customers who have had delinquent payments are precluded from applying for parallel connection of solar applications;

BE IT FURTHER RESOLVED THAT this resolution R2022-3 authorizes private entities other than residences to install renewable generation systems up to 75 kw.

BE IT FURTHER RESOLVED that Appendix "B" be attached which will delineate the methodology to be utilized in the calculation of "Avoided Cost", used to purchase excess generation above the customers normal use.

PASSED, ADOPTED AND APPROVED THIS 11TH DAY OF JANUARY, 2022.

CITY OF GALLUP, NEW MEXICO

By: _____

Louis Bonaguidi, Mayor

ATTEST:

Alfred Abeita, City Clerk

RESOLUTION R2009-7

A RESOLUTION AUTHORIZING GALLUP JOINT UTILITIES TO IMPLEMENT A
NET METERING PROGRAM AND ESTABLISHING AND ADOPTING
ASSOCIATION POLICY

WHEREAS the City of Gallup recognizes the benefits of renewable energy generation to the community and the environment; and

WHEREAS current policy does not allow the interconnection of any customer-owned renewable energy generating system to its electric system; and

WHEREAS current policy does not provide for Net Metering of customer-generated energy; and

WHEREAS in order to provide for the interconnection and metering of customer-owned renewable resource generating systems in a safe and effective manner, the City must first develop and adopt policy governing the interconnection and metering of such systems.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GALLUP, NEW MEXICO that the interconnection requirements and net metering provision attached hereto as Exhibit A are adopted and authorized.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2009.

CITY OF GALLUP

By: 
Harry Mendoza, Mayor

ATTEST:


Alfred Abeita, City Clerk

RESOLUTION R2011-18

A RESOLUTION AUTHORIZING GALLUP JOINT UTILITIES TO ENTER INTO NET METERING AGREEMENTS WITH OTHER GOVERNMENTAL AGENCIES FOR INTERCONNECTED RENEWABLE ENERGY GENERATION SYSTEMS OF UP TO 75kW

WHEREAS, On April 14th of 2009 the Gallup City Council Adopted Resolution R2009-7 authorizing Gallup Joint Utilities to establish a Net Metering Program; and

WHEREAS, Resolution R2009-7 established policy and procedures governing implementation of the program; and

WHEREAS, Interconnected Renewable Energy Systems under this program were limited to systems of up to 10 kW; and

WHEREAS, Certain Government agencies have and/or are planning the installation and Net Metering of systems of over 10 kW; and

WHEREAS, the installation of these systems would benefit the community and environment.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GALLUP, NEW MEXICO that Gallup Joint Utilities is authorized to establish policy and procedures for the Installation, Interconnection and Net Metering of Renewable Resource Generating Systems of up to 75kW for systems installed on governmentally operated facilities including federal, state, local and tribal government.

PASSED, ADOPTED AND APPROVED THIS 26TH DAY OF APRIL, 2011.

CITY OF GALLUP, NEW MEXICO

By. 

Jackie McKinney, Mayor

ATTEST:


Alfred Abeita, City Clerk



Electric

PARALLEL CONNECTION OF A CUSTOMER-OWNED RENEWABLE RESOURCE GENERATING SYSTEM AGREEMENT

This Agreement is made and entered into this **19th** day of **October, 2020** by and between the City of Gallup, a New Mexico Municipal Corporation ("City") on behalf of Electric Department an enterprise of the City and [Click or tap here to enter text.](#) ("Customer").

Customer Name	
Property Address	Click or tap here to enter text.
Account Number	Click or tap here to enter text.
Phone Number	Click or tap here to enter text.
Email Address	Click or tap here to enter text.

Whereas, the city wishes to encourage the development of electric power generation using renewable fuels; and

Whereas, the customer desires to construct and/or operate a Renewable Resource Generating System ("RRGS") connected in parallel with power distribution system (hereafter "System") through the customer's connection to the meter at or on the property; and

Whereas, there are inherent safety, power quality, and other issues with such an installation.

Now, Therefore and in Consideration of the Mutual Covenants and Agreements Between the Parties, City and Customer Hereby Agree as Follows:

1. City agrees that System as specified in the attached "Application and Approval Form for System of up to 10 kW" may be connected in parallel with the City's distribution system once the following conditions are met:
 - a. The Customer and City have signed this Agreement.
 - b. The installation is in compliance with all provisions in the attached Appendix A, hereby made a part of this Agreement
 - c. The Application for Interconnection is completed and approved by the City.
 - d. The installation has been inspected and approved by the State of New Mexico Construction Industries Division ("CID") Electrical Inspector.

2. This Agreement applies solely to customer's System at or on the property.
3. City reserves the right to terminate this Agreement and service rendered hereunder without cause with thirty (30) days written notice.
4. Any material default of this Agreement by the customer shall give cause to City to terminate without notice this Agreement and service rendered hereunder.
5. The customer agrees to immediately notify City in writing if the customer:
 - a. Sells or rents the property.
 - b. Is no longer the occupant of the property.
 - c. Makes a change to the System and or its components.
6. The customer agrees to the metering and billing terms for Net Metered customers set forth in the Requirement for Interconnection of Customer-Owned Renewable Resource Generating Systems (System) of up to 10 kW.
7. Hold Harmless/Indemnification. To the fullest extent permitted by laws and regulation, customer shall defend, indemnify, and hold harmless the City of Gallup, its officers, directors, agents, guests, invitees, and employees from and against all claims, damages, losses, and expenses, direct, indirect, or consequential (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals and court arbitration costs) arising out of or resulting from any acts of commission, omission, negligence, recklessness, or intentional wrongful conduct of the customer, or any other person or organization directly or indirectly employed by the customer to perform or furnish any of the work or anyone for whose acts any of them may be liable.

In any and all claims against the City, or any of its officers, directors, agents, or employees by any employee of the customer, or any other person or organization directly or indirectly employed by the customer to perform or furnish any of the work or anyone for whose acts any of them may be liable, this Indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the customer or any other person or organization under worker's compensation acts, disability benefit acts, or other employee benefit acts, nor shall this Indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage provided by the city or the customer.

Savings Clause: The parties agree that to the extent the written terms of this Indemnification conflict with any provisions of New Mexico laws or statutes, in particular Sections 41-4-1 et.seq. N.M.S.A. 1978 Compo (as revised) of the New Mexico Tort Claims Act, the written terms of this

Indemnification shall be deemed by any court of competent jurisdiction to be modified in such a manner as to be in full and complete compliance with all such laws or statutes and to contain such limiting conditions,

or limitations of liability, or to not contain any unenforceable, or prohibited term or terms, such that this Indemnification shall be enforceable in accordance with and to the greatest extent permitted by New Mexico Law.

By _____
Customer

Date _____

By _____
City

Date _____

State of _____)
)ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020
by _____.

SEAL

Notary Public _____

Commission # _____

Comes now the CITY OF GALLUP NEW MEXICO, a New Mexico Municipal Corporation, and hereby accepts the above Customer Owned Renewable Parallel Connection this _____ day of _____ 2020.

APPENDIX A

CITY OF GALLUP REQUIREMENTS FOR INTERCONNECTION OF RESIDENTIAL CUSTOMER-OWNED RENEWABLE RESOURCE GENERATION SYSTEMS (SYSTEM) OF UP TO 10 KW

The City of Gallup may authorize the interconnection of any photovoltaic or other qualifying renewable energy resource, generating system rated at 10 kilowatts or less that is in compliance with the requirements herein.

Definitions

A customer-owned **Renewable Resource Generation System (System)** is any electric generating system rated at 10kW or less which uses non-carbon based fuels, including but not limited to Solar and Wind generation systems.

An **Inverter**, also referred to as a power conditioner, is a device that converts direct current energy to alternating current energy and shall be of a static type, rotating devices are not an approved device.

Non-islanding or Anti-islanding is the prevention of a device from back feeding energy to the energy grid upon loss of voltage on the grid.

Extreme Conditions are any conditions which may (as determined by City) pose a hazard to the safety of City personnel, the public or customer, and or which may adversely affect the City electric distribution system.

Codes and Standards

All System and associated equipment shall be listed and in compliance with all applicable Underwriters Laboratories (UL) Standards, applicable IEEE, 2005 National Electric Code, State and Local Codes and Regulations.

System Installation

Prior to the installation of any interconnected System the customer shall first make application for Interconnection, execute an agreement (Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System {System}), and shall obtain applicable State and City of Gallup Permits.

Agreements

Prior to connection or operation of any interconnected System the customer shall have executed an Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System (System).

Inspection and Approvals

Prior to connection and operation of any System, the System and any and all associated equipment shall have passed inspection by City and State of New Mexico, Construction Industries Division (CID). The customer is responsible for obtaining the necessary permits from CID, and scheduling inspection by CID. Inspection by City will not be done until CID has inspected and approved the installation and shall be scheduled a minimum of ten (10) working days in advance. The customer's contractor shall be present for the City inspection.

Inspection by City shall include verification of anti-islanding and quality of power output.

After the System and associated equipment has passed inspection by City, City will provide written approval for connection. This approval is included on the Application.

This approval along with an executed Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System (System) must be provided to the City of Gallup Customer Service Department at the time of application for Net Metered Service.

Extreme Conditions

City reserves the right to refuse to accept power from and or disconnect any System under extreme conditions which may adversely affect the City electric system or its customers, failure of the System or customer to comply with any applicable rule or regulation and any condition which may pose a safety issue for City, its customers or the System owner. If City chooses to exercise this option it shall make a reasonable effort to notify the customer when such conditions exist or are anticipated to exist, and to reconnect the system when the conditions no longer exist.

External Disconnect Switch

A City accessible, manual, lockable load break utility-interface disconnect switch shall be installed between the output of the inverter and customer's wire connected to the City electric distribution system. This switch is later referred to as the Customer Disconnect Switch (CDS).

The CDS shall, if possible, be located near and within site of the City metering point. Alternate locations not near and within site of the City metering point shall be approved by City and shall only be approved based on site conditions, cost shall not be considered as a justifiable cause.

The CDS must provide a verifiable, visible air gap between the inverter and point of interconnection

with City system. Circuit breakers and inverter software modes do not meet the CDS requirement.

A permanent weatherproof one-line diagram of the system clearly identifying all major components of the system and their relationship and location must be permanently installed at the City metering point.

Testing

Prior to connection, the System and associated equipment shall be tested to verify anti-islanding and power output quality. City shall have the right to require additional testing at any time so long as the System is interconnected to the City distribution system. All testing shall be performed in the presence of City personnel. Prior to testing the System or associated equipment, the customer shall notify City it intends to test the system. City shall make every reasonable attempt to schedule its observance of the test at the customer's convenience, if agreement between City and the customer cannot be reached as to when the test shall occur City shall give the customer written notice of the dates and times of its availability.

Indemnification

The customer shall properly execute the Indemnification Agreement in the exact form attached as Appendix B and deliver it to City upon submitting the Application.

System Equipment Protection

It is the sole responsibility of the customer to protect its System and associated equipment and components from damage by normal conditions and operations that occur on the part of City in delivering and restoring system power. City hereby disclaims any liability whatsoever for damage to the customer's equipment.

Metering Requirements

The customer shall be responsible for the cost associated with any and all upgrades necessary to the service entrance and meter and associated equipment necessary to provide metering of excess kW produced by the customer-owned System and delivered back to City.

Net Metering

Prior to making application for Net Metering, the customer shall have executed an Agreement for Parallel Connection of a Renewable Resource Generating System (System), and have had the system inspected and approved by City and CID.

If the energy supplied by City to the customer exceeds the energy generated by the customer's System during a billing period, the customer will be billed for the net energy supplied by City at the Applicable rate for similar customers and such may be amended from time to time.

If the energy generated by the customer's System exceeds the energy supplied by City, City will credit the customer's account with the net kWh received by City during any billing period. Credits will be applied to customer's bill, and will be carried forward from month to month.

City may at its discretion reconcile the customer account on an annual basis buying-back all kWh credits at the applicable City avoided costs as exemplified in Appendix "B", which may be amended from time to time as purchased power costs change. Upon the customer terminating his or her account or moving to another service location, City will reconcile the account, and City will buy-back from the customer all kWh credits on the account at the applicable City avoided cost.

The monthly minimum charge "Service Charge" shall never be less than the charge for similar customers, and shall be the difference in the base "Energy Charge" less 50 kWh at the applicable energy rate.

Budget Billing

Due to the unknown generation of the customer's System and the inability to accurately predict generation and usage, Budget Billing will not be available to Net Metered customers.

Liability for Injury and Damages

Customer assumes full responsibility for electric energy furnished to him or her at and past the point of interconnection and will indemnify the City against and hold the City harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Customer arising from electric power and energy delivered by City or in any way arising directly or indirectly from Customer's generating installation except (i) when the negligence of City or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Customer or to employees of Customer or in the case of a residential Customer, to all members of the household; and (ii) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (a) any negligence of City or its agent(s) independent of and unrelated to the maintenance of City's facilities or any condition on Customer's premises or (b) the breach by City of any provision of any contract regarding purchase and/or sale of electrical energy or service between City and Customer.

Appendix "B"

STANDARD OPERATING PROCEDURES

Calculation of Avoided Cost

Avoided Cost will be determined using the following formula:

- From the prior Fiscal year, actual energy cost for each of the following:
 - Long term power supply contract
 - WAPA energy cost minus the allocation for NGWSP
 - Gallup Solar energy cost

EXAMPLE Fiscal Year 2021:

Long Term Power Supply - \$8,330,321/15,901,400 kWh = \$0.0524

WAPA energy only - \$267,783/23,697,612 kWh = \$0.0113

Gallup Solar - \$721,819/15,196,180 kWh = \$0.0475

\$0.1112/3

Avoided Cost Per kWh \$0.0371