SANGAMON COUNTY, ILLINOIS

ORDINANCE
NUMBER 22-6

AN ORDINANCE ADOPTING THE REVISED NET BILLING POLICY AND INTERCONNECTION AGREEMENT WITH CUSTOMERS GENERATING ELECTRICITY

DAVE KIMSEY, Village President
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Village Trustees

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Sorling Northrup – 1 N. Old State Capitol Plaza, Suite 200, Springfield, IL 62705

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AN ORDINANCE ADOPTING THE REVISED NET BILLING POLICY AND INTERCONNECTION AGREEMENT WITH CUSTOMERS GENERATING ELECTRICITY

WHEREAS, the Village of Chatham ("Village"), Sangamon County, State of Illinois, is a duly organized and existing Village created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code; and

WHEREAS, the Village currently has a billing policy and agreement for customers of its electric services who generate their own electricity, typically through residential solar power systems; and

WHEREAS, the Village has revised its Net Billing Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation; and

WHEREAS, the Village wishes to grandfather in customers with existing electricity generating facilities to this new policy over a period of twenty (20) years from December 31, 2022; and

WHEREAS, the Village President and Board of Trustees of the Village believe it is in the best interest of the Village to adopt the Net Billing Policy as attached hereto as **Exhibit A** and Agreement for Interconnection and Parallel Operation of Distributed Generation as attached hereto as **Exhibit B** to replace the current Net Metering Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation passed by the Village in 2016.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Chatham, County of Sangamon, as follows:

Section 1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Ordinance as if fully set forth in this Section 1.

Section 2. Adoption of Net Billing Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation. The Village President and Village Board of Trustees hereby adopt the Net Billing Policy as attached hereto as **Exhibit A** and Agreement for Interconnection and Parallel Operation of Distributed Generation as attached hereto as **Exhibit B** to replace the current Net Metering Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation passed by the Village in 2016.

Section 3. Applicability. Customers subject to the existing Net Metering Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation passed by the Village in 2016 and any new systems to come online on or before December 31, 2022, shall be allowed to continue operating under those agreements through December 31, 2042. Any such customers shall be referred to as "legacy customers" and the aforementioned rate shall be referred to as the "legacy rate." All systems to come online after December 31, 2022, shall be subject to the new Net Billing Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation. On January 1, 2043, all customers, including legacy customers, shall be subject to the new Village's Net Billing Policy and Agreement for Interconnection and Parallel Operation of Distributed Generation. For purposes of this section "online" shall mean the customer's generation system is functional and capable of distributing energy to the Village's electrical system.

Section 4. Severability. In the event a court of competent jurisdiction finds this ordinance or any provision hereof to be invalid or unenforceable as applied, such finding shall not affect the validity of the remaining provisions of this ordinance and the application thereof to the greatest extent permitted by law.

Section 5. Repeal and Savings Clause. All ordinances or parts of ordinances in conflict

herewith are hereby repealed; provided, however, that nothing herein contained shall affect any rights, actions, or causes of action which shall have accrued to the Village of Chatham prior to the effective date of this ordinance.

Section 6. Effectiveness. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

	AYE	NAY	ABSTAIN	ABSENT
KRISTEN CHIARO	✓			
ANDREW DETMERS	✓			
MEREDITH FERGUSON	✓			
JOHN FLETCHER	✓			
BRETT GERGER	✓			
DAVE KIMSEY				
TOTAL	5	0	—	

APPROVED by the President of the Village of Chatham, Illinois this 8 day of March, 2022.

Dave Kimsey, Village President

Attest:

Dan Holden, Village Clerk

EXHIBIT A
Net Billing Policy

EXHIBIT B
Interconnection Agreement with Customer

AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

This Agreement for Interconnection and Parallel Operation of Distributed Generation (hereinafter "Agreement") is made and entered as of _____ between **THE VILLAGE OF CHATHAM, ILLINOIS** (hereinafter referred to as "Village"), an Illinois municipal corporation, and_____, (hereinafter referred to as "Customer"), an electric customer of the Village presently receiving electric service from Village, each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, and other good and valuable consideration, the sufficiency and receipt thereof is hereby acknowledged, the Parties agree as follows:

1. Scope of Agreement – This Agreement addresses the conditions under which the Village and Customer agree that one or more generating facilities (herein "distributed generation" and more particularly described in Exhibit A) owned and/or operated by Customer with a nameplate capacity of 25 kw or less, can be interconnected at 120/240(V) or less (collectively hereinafter sometimes referred to as the "Facilities") to the Village's electric power distribution system (hereinafter sometimes referred to as the "System"). This Agreement shall not entitle the Customer to electric service beyond the terms of a separate membership agreement for service and is subject to the Village's rules, policies, regulations, ordinances and rates (hereinafter collectively "Requirements"). The customer is also required to do the following:

- The customer must be the owner of the system, no third-party ownership allowed, and the customer must be in good standing with the utility.
- The customer must submit an interconnection application and a building permit application (which is located on the Village of Chatham's web site: www.chathamil.gov).
- The application fee for interconnection and building permit is a total of $100.00 for any system sized at 25 kWac and under. Those systems sized greater than 25 kWac, the application cost will be on a case-by-case basis.
- The utility will provide the customer with a cost estimate and projected time frame for any distribution system upgrades.

2. Establishment of Point of Interconnection – Village and Customer agree to interconnect the Facilities at the location(s) specified in Exhibit A "Point of Interconnection" in accordance with the terms of the Village's policy on Net Billing and the Institute of Electrical and Electronic Engineers (IEEE) Standards 1547, 1547.1 and UL Standard 1741.

3. Responsibilities of Village and Customer for Installation, Operation and Maintenance of Facilities – Customer will, at Customer's cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its facilities and interconnection facilities, unless otherwise specified on Exhibit A. Customer shall conduct operations of its Facilities and interconnection facilities in compliance with all aspects of the Village's requirements and in accordance with industry standards and prudent engineering practice. Maintenance of Facilities and interconnection facilities shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule. Village shall have the right to inspect and require changes

prior to energizing. Phase, frequency and voltage of the Customer's interconnected generation shall be compatible with that provided by the Village.

Customer shall comply with all applicable Federal, State and local laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its Facilities and interconnection facilities.

Village will notify Customer if there is evidence that the Facilities' or interconnection facilities' operation causes disturbance, disruption or deterioration of service to other members served from the System or if the Facilities' or interconnection facilities' operation causes damage to the System. If this condition persists, Village shall have the right to disconnect Customer from the System. Customer will notify the Village of any emergency or hazardous condition or occurrence with Customer's Facilities or interconnection facilities which could affect safe operation of the System.

4. Operator in Charge – Customer shall provide a phone number and address of an individual contact person with knowledge of this Agreement, familiar with the installation, maintenance and operation of the interconnection facilities and with the authority to disconnect the Facility from the system in the event the Village requires doing so.

5. No Power Sales to Village - Interconnection of the Facilities with the System does not grant Customer the right to export power nor does it constitute an agreement by the Village to purchase or wheel power. Purchase of excess Facility capacity is governed by the Village's Net Billing Policy.

6. Limitation of Liability and Indemnification

a. Notwithstanding any other provision in this Agreement, with respect to the Village's provision of electric service to Customer and the services provided by the Village pursuant to this Agreement, Village's liability to Customer shall be limited as set forth in the laws of the State of Illinois, and in no event shall the Village be liable for loss of profit, loss of operation time, or loss of or reduction in use of any Facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the Customer's Facility.

b. For the purposes of this Agreement, a Force Majeure event is any event beyond the reasonable control of the affected party that the affected party is unable to prevent or provide against by exercising reasonable diligence. This includes, but is not limited to, public disorder, rebellion or insurrection, floods, hurricanes, earthquakes, lightning, storms or other natural calamities, explosions or fires, strikes, work stoppages or labor disputes, embargoes, and sabotage. If a Force Majeure event prevents a Party from fulfilling any obligations under this Agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

c. Customer shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Village does not assume any duty of inspecting Customer's lines, wires, switches, or other equipment or property and will not be responsible therefore. Customer assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.

7. Testing and Testing Records – Customer shall perform or cause to be performed such tests as the Village may reasonably require and shall provide to the Village all records of testing. Testing of protection systems shall comply with existing industry standards and practices. These records shall include testing at the start of operation and annual testing thereafter. Factory testing of pre-packaged interconnection facilities and the protective systems of small units shall be acceptable in the absence of reasonable grounds for additional testing. In the case of a factory test, Village shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, Customer shall obtain approval by the Village of the settings of the equipment being installed prior to operation.

8. Right of Access, Equipment Installation, Removal & Inspection – The Village shall have free access to the Customer's small generation facility and interconnection equipment at all times to monitor operation of the Customer's equipment, Village-supplied service equipment connected to such system, or to disconnect for good cause, without prior notice to the Customer, Customer's equipment from the Village's distribution system.
Village shall also have access to Customer's premises and to operational records for any reasonable purpose in connection with the interconnection described in this Agreement, the Requirements, or to provide service to its customers. Once the required inspections have been completed, the interconnection customer and the contractor will receive a Letter of Completion which will affirm the right to activate the system.

9. Disconnection of Facilities – Customer retains the option to disconnect its Facilities from the System, provided that Customer notifies Village of the Customer's intent to disconnect by giving the Village at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of this Agreement unless Customer exercises rights under Section 12 that do not lead to a resolution of the issue.

Customer shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

Village may disconnect the electric generation facilities from its System whenever, in the sole opinion of Village, such action is required by an emergency, for reasons of safety or due to interference with service to other members. Facility shall also be subject to the Village's requirements for maintaining voltage standards of output and the production of reactive power.

10. Metering – Village shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by Village in connecting the Customer generation facility to the distribution system. Metering shall meet accuracy standards required for equivalent electrical

services and can be accomplished with standard meters or any devices that meet data collection and accuracy requirements.

11. Insurance – Throughout the term of this Agreement, Customer shall carry a liability insurance policy issued by a licensed insurance carrier that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Customer's ownership and/or operation of the Facility under this Agreement. The limits of such policy for a small generation facility shall be at least $1,000,000 per occurrence. Customer shall provide a certificate of insurance containing a minimum 30-day notice of cancellation to the Village prior to connection of the Customer's Facility to the System.

As an alternative to providing insurance coverage, the Customer may choose to self-insure by providing proof of financial responsibility satisfactory to the Village and agrees to indemnify the Village, its officers, agents, and employees against all loss, damage, expense and liability to any persons, including members, for injury to or death of persons or injury to property, including but not limited to consequential damages, interest, punitive damages, attorney fees and court costs, proximately caused by the Customer's construction, ownership, interconnection, operation, or maintenance of, or by failure of, any of such Customer's works or facilities used in connection with the operation of the generating Facility.

12. Effective Term and Termination Rights – This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement at any time by giving Village at least sixty (60) days' written notice; (b) Village may terminate upon failure by Customer to generate energy from the Facilities within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Village Ordinances or any rate schedule, regulation, contract, or policy of Village, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Village may terminate by giving Customer at least sixty (60) days notice in the event that there is a material change in an applicable law, or any change in policy or procedure pertaining to distributed generation by the Village's wholesale electric supplier or requirement of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System; (e) Village may terminate this Agreement upon three (3) business days notice in the event Customer ceases to receive electric service from Village or is in default of terms or conditions for electric service.

In the event that a Party (i) makes a general assignment or arrangement for the benefit or creditors; (ii) commences an action or proceeding under any bankruptcy, insolvency or similar law for the protection of debtors or creditors, or has commenced against it any such action or proceeding which is not withdrawn or dismissed within thirty (30) days; (iii) otherwise is adjudicated a debtor in bankruptcy or insolvent; (iv) is unable (or admits in writing its inability) generally to pay its debts as they become due; (v) is dissolved or has a resolution passed for its winding-up or liquidation(other than pursuant to a consolidation, acquisition or merger); (vi) seeks or becomes subject to the appointment of an administrator, assignee, conservator, receiver, trustee or similar official for substantially all of its assets; (vii) has a secured party take possession of all or

substantially all of its assets or has all, or has substantially all of its assets become subject to an attachment, execution, levy, sequestration or other legal process which is not dismissed discharged, stayed or restrained within thirty (30) days; (viii) causes or is subject to any event that has an effect analogous to any of the events enumerated in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in any of the foregoing acts or events; then, in such event, this Agreement shall terminate automatically without notice and without any other action by either Party.

13. Compliance with Laws, Rules and Regulations – Customer shall be responsible for complying with all federal, state and local laws. In the event Customer's Facilities, interconnection or disposition of electricity generated by the distributed generation are, or become, subject to Federal, State or local regulation, Customer is, and shall be, responsible for regulatory compliance. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Village Code of Ordinances and the Village's policies governing interconnection of distributed generation. Village reserves the right to amend its ordinances and policies at any time.

14. Severability – If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement, shall remain in full force and effect.

15. Amendment – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

16. Entirety of Agreement – This Agreement, including any attachments, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement.

17. Assignment – This Agreement may be assigned to a party receiving electric service from the Village at the site of the Facilities only upon the express written consent of the Village. The assignee will be responsible for the proper operation and maintenance of the Facilities, and must agree in writing to be subject to all provisions of this Agreement. Village may assign the Agreement to another entity with the written approval of Customer. Required consents shall not be withheld unreasonably.

18. Notices – Notices given under this Agreement are deemed to have been duly delivered once received by United States certified mail, return receipt requested, postage prepaid, to

If to Village of Chatham:
Village Manager
116 E. Mulberry Street
Chatham, Illinois 62629

If to Customer:

_____
_____
_____
_____

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

19. Invoicing and Payment – Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Village policies.

20. No PURPA Interconnection – The Parties agree that the Customer's Facility is not a qualifying small power production facility or qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978 and that nothing herein confers any rights or obligations on either party by application of that Act.

21. No Third-Party Beneficiaries – This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

22. Waiver - The failure of either Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights or duties of the provisions in this Agreement.

23. Governing Law and Jurisdiction – It is agreed that this Agreement shall be construed and governed in accordance with the laws of the State of Illinois and that the circuit court of Sangamon County has jurisdiction on all matters relating to the enforcement of this Agreement.

24. Dispute Resolution – In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute describing in detail the nature of the dispute. If the dispute has not been resolved within five (5) business days after receipt of the Notice, either Party may request assistance from a reputable dispute resolution service for assistance in resolving the dispute. The service will select an appropriate dispute resolution venue, (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. Each party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties utilized in the attempt to resolve the dispute. If neither party elects to seek assistance from a dispute resolution service, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this agreement and the rules and policies of the Village.

25. Requirements for plan approval and inspections –

A. Provide aerial/street view of property

B. Provide a disconnect or shunt at the end of each module string before the junction box

C. Provide site location and photographs, a description of each device including disconnect/net meter/all other safety or disconnect devices

D. Provide to the Village of Chatham and the Chatham Fire Protection District in a separate folder/binder - building/structural/ engineering documents, building permit application, and all necessary calculations along with a copy of the Net Billing Application along with all of the above information.

E. Upon completion of the Net Meter and Solar hardware installation, an inspection and walk-through will be required with the homeowner/business owner, Village electrical inspector and a member of the Chatham Fire Protection District.

F. Fee for Net Billing Application and Building Permit $100.00

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives.

VILLAGE OF CHATHAM:

By: _____
Mayor

ATTEST:

By: _____
Village Clerk

CUSTOMER:

_____

Village of Chatham
Net Billing Policy

2022

Section 1: The Village of Chatham ("Village") shall make available, upon request, net billing service to any customer receiving electric service from the Village of Chatham and who meets the requirements set forth in this policy. For purposes of this policy "net billing" means service to an electric customer under which electric energy generated by that electric customer from an eligible on-site generating facility owned by that customer and, under some circumstances, delivered to the local distribution facilities, may be used to offset electric energy provided by the electric utility to the electric customer as provided for in this policy.

Section 2: For purposes of this policy an eligible on-site generating facility shall be defined as a renewable generating facility such as a photovoltaic facility or small wind turbines. Other forms of renewable generation shall be considered on a case by case basis. In all cases, facilities interconnected must be deemed to be renewable to qualify for this policy.

Section 3: The electric generating facility must also abide by Village Interconnection Standards currently in place and as may be amended in the future.

Section 4: Subject to the limitations set forth herein, Village shall make net metering service available upon request to any Village electric customer with a qualifying generating facility of 25 kW capacity or less.

Section 5: Any generating facility greater than 25 kW but less than 1 MW shall be considered on a case by case basis. The decision with respect to such facilities shall be made by the appropriate official as designated by the utility.

Section 6: Notwithstanding the provisions in Section 5, Village reserves the authority to limit the size of a customer's net metered installation such that the electrical output will not, as a matter of routine operation, exceed the electric load of the structure on which it is installed.

Section 7: Energy generated by the customer-owned generator will offset the energy required by the customer's load during the billing period. For any energy generated by the customer in excess of the energy required by the customer's loads for a given billing period, a credit shall be carried forward to the customer's next billing period. In no case shall accumulated credits for excess energy be carried forward past December 31 of each calendar year. In the event of termination of an account qualifying for net billing under this policy, any outstanding credits are surrendered. Under no circumstances will the Village make payments or credit transfers to customers for excess energy.

Section 8: All costs incurred by the Village associated with the net billing program, including but not limited to, costs for materials, changes in metering, other physical facilities or billing-related costs, shall be borne by the participants in the net metering program; provided however,

that such costs shall be capped at the market cost of a new meter to each qualifying customer interconnecting facilities of 25 kW or less. For those facilities greater than 25 kW that are deemed to qualify under this policy, all costs associated with the program shall be borne by the participant.

Section 9: The Village of Chatham will utilize a formula involving the "Fair Solar Credit" amount that is determined annually by the Illinois Municipal Utilities Association. Customers shall receive credit for 1.5 times (1.5 x) the Fair Solar Credit for electricity distributed to the electric grid, not to exceed a credit in the amount of the rate at which the Village purchases electricity from Illinois Municipal Electric Agency. The "Fair Solar Credit" amount allotted to the Village of Chatham shall reviewed annually by the Village's electric provider and is subject to change based on the Village's annual consumption. The current "Fair Solar Credit" amount is located on the Village's website www.chathamil.gov under Utility Office Net Billing Policy.

Section 10: Village will develop such documents as needed to implement this policy.