

**VILLAGE OF BARAGA  
ORDINANCE NO. 254**

AN ORDINANCE TO CONSOLIDATE ALL PREVIOUS ORDINANCES THAT ESTABLISH RATES AND REGULATIONS FOR THE OPERATION OF THE VILLAGE OF BARAGA, MICHIGAN ELECTRIC UTILITY. THIS ORDINANCE AMENDS AND REPLACES ORDINANCES 126, 131, 144, 151, 154, 160, 165, 171, 182, 191, 202, 211, 215, 220, 222, 223, 224, 233, 234, 236, 243, AND 249.

**Section 1. SALE AND DISTRIBUTION OF ELECTRICITY.**

Sale and distribution of electricity by the Village of Baraga ("Village") to consumers ("Customers") is available as "Electric Service" and shall be governed by, and be subject to, the provisions of this ordinance.

**Section 2. APPLICATION FOR SERVICE.**

Customers can request Electric Service by submitting an Application for Utility Service to the Village Office. Once the application is approved by the Village Manager and a security deposit as listed in the approved Village Fee Schedule is received, Electric Service can be connected to the requested premises. All other applicable rates and fees listed in the Council approved Village Fee Schedule will be applied to the Customer once service is connected. Electric Service shall not be connected for a Customer who owes the Village on an account for a previous Electric Service until that account is paid in full.

Accounts for Electric Service to rental units will not be changed from the landlords name over to the renters name until the Electric Service account for that unit is paid in full and the appropriate security deposit as listed in the Council approved Village Fee Schedule has been received. The landlord is responsible for any Electric Service charges to the rental unit account until the renter's security deposit is received.

**Section 3. LOCATION AND OWNERSHIP OF METERS.**

All meters installed for measuring the flow of electricity are the property of the Village. A representative of the Village shall have the right to enter, at reasonable times, any premises served by Village electrical service for the purpose of inspecting, maintaining, reading, replacing, calibrating, disconnecting or reconnecting the meter. The Customer is responsible for the installation of the proper meter socket as specified by duly authorized agents of the Village.

**Section 4. CYCLE BILLING.**

Cycle billing shall be made for all consumers of electricity. All electricity meters shall be read or estimated at or around the 15<sup>th</sup> day of each month. On a monthly basis, the Village shall

deliver to each Customer a statement of charges for Electric Service for the preceding month and any other associated overdue charges.

**Section 5. DEFAULT IN PAYMENT.**

Every account that has not been paid in full by the 21<sup>st</sup> of the month thereof being billed, shall be considered delinquent and shall have added to it a penalty as listed in the Council approved Village Fee Schedule. After the account has been delinquent for ten (10) days, Electric Service to the premises will be disconnected. No electricity shall be furnished to any person free of charge. Disconnects can be executed during any month or season of the year.

For delinquent rental unit accounts, the landlord is responsible for any outstanding charges on the tenant's account that exceeds the security deposit. The account for the rental unit's Electric Service must be paid in full by the landlord before another tenant can receive Electric Service in that rental unit.

**Section 6. RECONNECTION OF METERS.**

A fee, as listed in the Village Fee Schedule, will be charged for reconnection of an Electric Service that was disconnected as a delinquent account. The delinquent account and the reconnection fee must be paid in full before Electric Service will be reconnected.

Reconnections will be performed the same day of payment if time permits within normal business hours, otherwise reconnection will be performed the next business day.

**Section 7. COLLECTION OF CHARGES.**

All charges for Electric Service shall constitute a lien on the premises in the possession of the Customer until the same are paid in full. If any Customer fails to pay for Electric Services in full before leaving the premises, or when Electrical Services are delinquent, notice shall be given to the owner of the premises and said Customer, if different, as to the amount of the delinquency. If payment is not made within 60 days of the inception of the delinquency as finally determined, the same shall be certified by June 1<sup>st</sup> of each year to the tax assessing officer of the Village, the fact of such delinquency, whereupon such charge shall be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general Village taxes against such premises are collected, and the lien thereof enforced.

**Section 8. TAMPERING AND THEFT.**

No person shall remove, circumvent, bypass, tamper with or interfere with the installation, use, operation or maintenance of an electric meter in the Village, nor shall any premises have an outlet, device or any other connection on the conductor between the distribution line and the electric meter enabling electric current to service the premises without passing through the meter. Service to any premises shall be immediately disconnected if any meter is found

bypassed, tampered with or illegally connected, and shall not be reconnected until a correct meter and connection is installed and all past due charges, penalties, reconnection fees and deposits are paid in full.

Whoever violates this section is liable for a civil infraction and will be reported to the Village Police Department for theft of service. An effort shall be made as soon as practical to determine the amount of electricity wrongfully taken and the consumer shall be charged therefor.

#### **Section 9. NEW CONSTRUCTION AND ALTERATIONS TO SYSTEM.**

A person shall not equip a building with electrical conductors or equipment or make an alteration of, change in, or addition to, electrical conductors or equipment without receiving a permit to do the work described. To obtain electrical permits, an applicant shall be an electrical contractor or specialty contractor licensed by a municipality or by the State Electrical Administrative Board or a homeowner performing electrical work in a single family home and accompanying outbuildings owned and occupied, or to be occupied, by the person performing the installation.

The Village can refuse Electric Service to any person that equips a building with electrical conductors or equipment or makes an alteration of, change in, or addition to, electrical conductors or equipment without proper approval from the local Electrical Inspector or if it creates unsafe conditions or adverse effects on other Customers, Village staff, and/or on the Village electric utility equipment.

#### **Section 10. PROHIBITIONS REGARDING BID DEMAND RESPONSE.**

Section 10.1 LEGISLATIVE FINDINGS, Whereas, the Federal Energy Regulatory Commission has issued Order No. 719, 125 FERC 61,071, 73 Fed. Reg. 64,099 (October 28, 2008).

Whereas pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(l)(iii) provides: "Each Commission-approved independent system operator and regional transmission organization must permit a qualified aggregator of retail Customers to bid demand response on behalf of retail Customers directly into the Commission-approved independent system operator's or regional transmission organization's organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail Customer to participate."

Whereas pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(l)(i)(A) provides: "Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency

response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator's or regional transmission organization's bidding rules at or below the market-clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority."

Whereas, pursuant to the powers vested in the Common Council of the Village of Baraga, MI, the Village Council is authorized to enact regulations governing the provision of electric power to retail Customers served by the Village of Baraga.

Whereas, the Common Council of the Village of Baraga has determined that it would be harmful to the demand response in the Village of Baraga, and the collective interests of the Village of Baraga, as a load-serving entity with an obligation to serve at retail, and the Village's retail Customers to permit any entity other than the Village of Baraga itself or its authorized designee to aggregate demand response on behalf of its retail Customers.

Whereas the Common Council of the Village of Baraga, as the electric retail regulatory authority for the Village of Baraga, has determined it to be desirable that the aggregation of demand response on behalf of retail Customers served by the Village of Baraga to be bid directly into the organized electric and ancillary services markets administered by the Midwest ISO (or any successor independent system operator or regional transmission organization to which the Village of Baraga is a member/participant/Customer be performed by the Village of Baraga, or its authorized designee, the following amendments to the Code of the Village of Baraga are hereby adopted.

Section 10.2. THE VILLAGE OF BARAGA ESTABLISHES under the heading

"Aggregation of Retail Customer Demand Response" a subsection to provide as follows:

- A. WPPI Energy, as The Village of Baraga's Authorized designee, is the sole entity permitted to bid demand response on behalf of retail Customers served by the Village of Baraga directly into any Commission-approved independent system operator's or regional transmission organization's electric markets.
- B. Retail Customers served by the Village of Baraga wishing to bid their demand response into a Commission-approved independent system operator's or regional transmission organization's organized electric markets may do so by participating in the program established by the Village of Baraga or its authorized designee. Retail Customers are not permitted to

participate in the demand response program of any other entity without the express prior authorization of the Village of Baraga.

Section 3. THE VILLAGE OF BARAGA ESTABLISHES under the heading "Ancillary Services Provided by Demand Response Resources" a subsection to provide as follows:

A. WPPI Energy, as the Village of Baraga's authorized designee, is the sole entity permitted to bid demand response on behalf of retail Customers served by the Village of Baraga directly into any Commission-approved independent system operator's or regional transmission organization's organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff).

B. Retail Customers served by the Village of Baraga wishing to bid their demand response into a Commission-approved independent system operator's or regional transmission organization's organization markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional organization's tariff) may do so by participating in the program established by the Village of Baraga or its authorized designee. Retail Customers are not permitted to participate in the demand response program of any other entity without the express prior authorization of the Village of Baraga.

## **Section 11. CUSTOMER-OWNED DISTRIBUTED GENERATION FACILITIES.**

(a) In order to provide for the safety of Customers, Utility personnel, and others, and to assure reliable Electric Service consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, the following requirements are established for the interconnection and operation of Customer-owned Distributed Generation (DG) Facilities in parallel with the Village of Baraga's Electric Utility (Utility) Distribution System:

### **(b) Definitions**

- **Avoided Cost Rate:** The cost of the power, as set by the Utility's wholesale power supplier, that is not purchased by Utility when a DG Facility delivers excess power to the Distribution System.
- **Customer:** Any account of the Utility in good standing and receiving retail electric power service from the Utility's Distribution System.
- **Distributed Generation (DG) Facility:** The Customer's device(s) for the conversion of energy to electricity, as identified in the Interconnection Application.

- Distribution System: The facilities and equipment owned by Utility and used to deliver electricity to homes and industries.
- Interconnection Application: A Customer's formal request to interconnect a new DG Facility to the Utility's Distribution System, or make a material modification to the operating characteristics of an existing DG Facility that is interconnected to the Utility's Distribution System.
- Renewable Energy Sources: Any naturally occurring and theoretically inexhaustible source of energy, including biomass, solar, wind, tidal, wave, and water current (e.g., run-of-river hydroelectric) resources, that are not derived from fossil or nuclear fuel.

(c) Availability and participation requirements

The requirements in this ordinance apply to all Customer-owned DG Facilities. Any Customer may make a request to interconnect a DG Facility by completing the Utility's Interconnection Application and submitting it to the Utility for review with all applicable charges as established by resolution of Council. Once the Utility has determined that the DG Facility complies with all applicable safety and reliability standards, including but not limited to this ordinance, ANSI/IEEE Std. 1547, UL 1741, National Electrical Code, and the Michigan Electrical Code, the Customer and the Utility shall execute a DG interconnection agreement.

Proposed DG Facilities will be handled on a case-by-case basis at the discretion of the Utility and will be subject to a review process that may take into account the impact of the interconnection on reliability, rates, power supply agreements, and local and regional system planning.

DG Facilities must be interconnected on the Customer side of the Utility's metering, serving only the Customer's premises, and must be intended to offset a portion or all of the Customer's requirements for electricity.

If the Customer does not meet all of the requirements listed in this ordinance, the Utility may terminate parallel operation of the DG Facility and the Customer shall be liable for any damages or injury resulting from unauthorized or improper interconnection and/or operation of the DG Facility. These requirements apply to both existing and proposed installations.

The Customer shall be responsible for procuring and complying with all building, electrical, operating, and environmental permits that are required by any governmental authority having jurisdiction for the type of DG Facility and for the necessary ancillary structures to be installed. The DG facility is subject to inspection by duly authorized agents of the Village before

commencement of parallel operation. In addition, the Utility may, at its discretion, inspect or test the facility at any time.

The Customer shall pay for all costs associated with any addition to, or alteration of, the Utility's equipment for the safe and reliable operation of the Customer's generating equipment in parallel with the Utility's Distribution System. The Customer shall also pay for costs of changes required due to safety or adverse effects on other Customers and/or on the Utility caused by the interconnection and/or operation of the DG Facility.

(d) Safety and reliability requirements

The DG Facility's control and protection system shall provide for immediate automatic shutdown or separation of the Customer's generator and the Utility system in the event of momentary or extended loss of power from the Utility, including loss of one or more phases if the Customer is generating three phase power. The shutdown or separation must continue until normal Utility service is restored. The shutdown or separation shall occur when frequency, voltage, and or current deviate from normal Utility standards. The Customer shall be liable if the Customer's protection system fails to function.

A safety disconnect device suitable for use as a protective tag location may be required so as to be accessible, visible, and in reasonably close proximity to the billing meter.

The Customer shall advise the Utility prior to making any revisions to the DG Facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Utility.

(e) Net Energy Billing

Net Energy Billing is available only to Customers who operate DG Facilities using renewable energy sources with a nameplate capacity of 20 kW<sub>AC</sub> or less, and are interconnected with the Utility's Distribution System, to generate a portion or all of the Customer's own electricity. DG Facilities using non-renewable energy sources are not eligible for credit of excess generation.

The Customer's net energy consumption shall be determined by a single meter installed by the Utility measuring delivered and received power flow. When a Customer's monthly net energy consumption results in a net flow of energy from the Utility to the Customer, the Customer shall pay the full retail rate as listed in the Council approved Village Fee Schedule. When the Customer's monthly net energy consumption results in a net flow of energy from the Customer to the Utility, the Customer shall be credited the Net Energy Billing Avoided Cost Rate for the energy provided to the Utility as listed in the Council approved Village Fee Schedule. Net Energy Billing will be done on a monthly basis.

The credit for any excess generation, as determined by each month's meter reading, shall be credited against the following month's bill. Any credit carried forward to the following month that is not used up that month, shall be carried forward for use in subsequent billing periods. If a Customer terminates service with the Utility while having a Net Energy Billing credit amount on their account, the Utility shall refund the remaining credit amount to the Customer following a final meter reading by the Utility.

Customers shall be eligible to continue participation in Net Energy Billing for a minimum period of ten years under the terms of Net Energy Billing in effect at the time of enrollment. A participating Customer may terminate Net Energy Billing at any time for any reason.

(f) Utility Purchase of Excess DG Facility Output

An Excess DG Facility Output Avoided Cost Rate will be applied to Customers who operate DG Facilities with a nameplate capacity greater than 20 kW<sub>AC</sub> using renewable energy sources, and are interconnected with the Utility's Distribution System, to generate a portion or all of the Customer's own electricity. DG Facilities using non-renewable energy sources are not eligible for credit of excess generation.

The Customer's energy consumption and production shall be determined by a single meter installed by Utility measuring power flow in each direction. The Customer shall pay the full retail rate as listed in the Council approved Village Fee Schedule for all energy that flows from the Utility to the Customer. The Customer shall be credited at the Utility's Excess DG Facility Output Avoided Cost Rate for excess energy that flows from the Customer to the Utility as listed in the Council approved fee schedule. Excess DG Facility Output Billing will be done on a monthly basis.

**Section 12. OVERTBILLING AND UNDERBILLING**

In the event the utility becomes aware of an overbilling of a Customer, the utility shall promptly correct the billing error and notify the Customer of the circumstances surrounding the overbilling. The utility shall then determine the time period during which the overbilling occurred. Once the utility has determined the period of overbilling, the utility shall calculate the amount that it has overbilled the Customer. The utility shall then make a refund to the Customer of the amount of the overbilling for a time period not to exceed one (1) year from the date the overbilling was discovered.

In the event the utility becomes aware of an underbilling of a Customer, the utility shall promptly correct the billing error and notify the Customer of the circumstances surrounding the underbilling. The utility shall then determine the time period during which the underbilling occurred. Once the utility has determined the period of underbilling, the utility shall calculate the amount that it has underbilled the Customer. The utility has the option to back bill the

Customer for the amount of the underbilling for a time period not to exceed one (1) year from the date the underbilling was discovered.

### **Section 13. TEMPORARY SERVICE**

The Customer will pay fees and/or agree to reimburse the utility for its expenditures as listed in the Council approved Village Fee Schedule.

Temporary service shall be given to a Customer connection only after being inspected and approved by duly authorized agents of the Village. The post supporting the unit shall be located as near as possible to the location of permanent service to the building. Abnormal conditions involving compliance with the foregoing provision will be cleared with the utility and permission granted by the utility prior to locating the Customer connection.

All temporary service shall be maintained in a safe manner in order to keep the utility harmless from injury to persons or property. The service shall remain temporary only for a reasonable time and must be made permanent when the utility directs such action.

Should the Customer elect to receive permanent service, installation charges as listed in the Council approved Village Fee Schedule will be made to such consumer. Credit shall be given for the payment already made for that portion of the temporary service facilities which can be used for permanent service without modification.

This Ordinance shall become effective on the 9<sup>th</sup> day of June, 2020.

Ayes:

Nays:

Absent:

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Diane Mayo, Clerk

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Wendell Dompier, President