

MINUTES OF THE MEETING OF THE
CITY OF SEAFORD ELECTRIC COMMITTEE

4:00 p.m.

November 14, 2016

MEMBERS PRESENT: Dolores Slatcher-City Manager, Charles Anderson-Assistant City Manager, Rick Garner-Electrical Engineer, Bill Bennett-Superintendent of Electric, June Merritt-Director of Finance & HR, Public Representatives-Tony Lowe, Sharon Drugash, George Logan and David Downes-Downes Associates Inc.

City Manager Slatcher called the meeting to order at 4:00 p.m. sharing with everyone that Vice-Mayor Henderson was absent due to a personal matter.

City Manager Slatcher then gave an update on the Pine Street Substation Expansion. DEMEC and Downes Associates, Inc. are working on finalizing their agreement for the engineering services to take the project forward. In December, they anticipate the RFP's going out for the transformers, possibly the control building and some of the other larger lead time items, so they can get those RFP's back in. DEMEC is also working on their borrowing resolutions for funding for Seaford, Middletown and the AMI projects. Notice has been given by the City to vacate 60 N Pine Street by January 15th, 2017. The bids are out for receipt on December 14th, 2016 for demolition of that property. Anticipated bid award is scheduled for January 10th, 2017. Storm water on site is in design stages and is expected to be sent to the Sussex Soil Conservation District in the next two (2) weeks.

Assistant City Manager Charles Anderson discussed the net energy metering draft ordinance proposed changes. We have found some things in our rule making ability we need to address. The first **Section 6.22.4** addresses the issue of Power Purchase Agreements (PPA). The City of Seaford does not want to approve PPA's. The customer can purchase the system, but cannot have a third-party power provider come into the City. We look at their form of contract that they have with their provider and ask an abundance of questions. **Section 622.4 G** was modified throughout the entire regulation. When the law was written, the State Legislature said it was permissible to output up to 110% of the location load from the prior two (2) years of average history. It was found that if the sunshine was better, the system was larger or more efficient than anticipated, we have an issue. We propose to back down to 100%, so if the system is over designed it is not harmful to the customer. If you make an investment in your system and the City has to tell you to curtail it, you do not get the return on the investment. **Section 6.22.4 (i)** acknowledges the system state mandated limit and if you should exceed the 110%, the City will require you to curtail your output. **Section 6.22.4 (ii)** states the City may require the generator be disconnected for a period of time if the end of year credits exceed the cap. The City will monitor and evaluate these systems annually for compliance. **Section 622.4 H** talks about the total customers on our lines and that state law says it does not have to exceed 5% or greater of the system peak. We are close to that now and will periodically re-evaluate the system peak demand to determine if additional net metering is permitted. **Section 6.22.11 (B)(1)(a)** in the case of a rental or leased property the tenant will receive billing period kWh credits, however the landlord will receive payment for annual kWh credits. **Section 6.22.11 (B)(1)(b)** if a system over generates, the City will only pay up to 110% of the approved amount. **Section 6.22.12 (D)** the customer will bear the cost of the meter on the generator. Bi-directional meters do not calculate what the customer generates or consumes. The City will regulate labeling and location of the generator meter for lineman/operator safety. Other DEMEC members are experiencing similar

situations and working on practices to resolve them. This is a living document and we will keep the Committee informed as issues occur and new legislation is received.

City Manager Slatcher called for questions and asked if additional time was needed for review of the draft ordinance by the Committee members. There being none, the proposed draft ordinance document will be presented to Mayor & Council at the next Council meeting for their approval.

Superintendent of Electric Bill Bennett updated the Committee on the Solar project. The Solar project is approximately 85% complete. All the panels are installed and they have started putting on the inverters. Poles were set today for lighting. Most of the conduit has been trenched in. The transformer is set and made up on the primary side. All the contractors have done a good job with very minor complications. Hopefully, the project will be on line in a few weeks and generating.

City Manager Slatcher will contact Vice-Mayor Dan Henderson to set the next meeting in 2017.

There being no further business or discussion; the meeting adjourned at 4:19 p.m.

Jeanne Sapp, Secretary