



## Solar Power Purchase Program FEED-IN TARIFF POLICY

The basis of the Lehi City Solar Power Purchase Program (“SP3”) is a fixed-price, 20-year Power Purchase Agreement (PPA) between Lehi City (“City”) and the City’s customers (each a “Customer”), for solar energy generation. The Customer may enter agreements with solar developers or contractors for the installation of a solar energy system, which also may include financing, lease-purchase and rooftop property leasing, the terms of which shall be independent of the Customer’s PPA with the City.

The energy output of the Customer’s solar system goes directly to the City electric grid (“load side of the meter”) and the Customer is paid based on the terms of their PPA with the City. The PPA does not alter the Customer’s electric bill. The PPA also conveys the Renewable Energy Credits (RECs)—the right to claim the renewable energy attributes of the Customer’s solar system—to the City to be used toward compliance with the Utah Renewable Energy Standard.

### Eligibility and Program Structure

Any Customer premise receiving power service from the City is eligible for this on-site solar program. Projects will be accepted in two classes:

- Class-1, Small Projects, 1 to 10kW
- Class-2, Large Projects, >10kW to 1,000kW DC

Each Customer wishing to enter a PPA with the City shall be required to submit a completed application in a form provided by the City, which application shall be reviewed by the City for compliance with applicable law and this policy. Applications found not to comply with applicable law and this policy shall be rejected by the City.

### Program Stipulations

- Each Project will be located on a Customer’s premise receiving power service from the City.

- Solar photovoltaic (PV) systems range in size from 1 to 1,000 kilowatts (kW DC).
- 1,000 kW maximum aggregate capacity on any single parcel.
- 1,000 kW maximum capacity for a single Customer for multiple parcels and projects.
- Grid interconnection “in front of the customer meter” achieved either by (a) actual physical point of interconnection or (b) billing adjustment.
- Payments are made for metered production or deducted off of monthly bill, the given method for each Customer premise selected in the City’s discretion.
- Two-tier, 20-year, fixed-price standard offer Class-1, 5¢/kWh 1 kW-10 kW Class-2, 4¢/kWh >10 kW to 1,000 kW.
- The City will look at its average whole sale power cost excluding transmission. The City, with City Council approval, may re-adjust the fixed-price standard offer for both classes, whether negative or positive, during the 20-year Power Purchase Agreement. The City has no obligation to review power cost more than once a year.
- Class-1 projects must be operational in six (6) months from time of acceptance of the PPA; Class-2 projects must be operational in twelve (12) months from acceptance of the PPA.
- The City retains RECs resulting from each project.
- Applications will be accepted on a first-come, first-served basis up to the capacity limit of the circuit or the distribution system, as determined by the City. City may offer Customer the ability to pay for the cost to increase the circuit or distribution capacity limit.
- Insurance requirements are delineated in the Utility’s Interconnection Standards.
- Customer may be required to hold the City harmless and indemnify the City against any harm, loss or damage resulting from the Customer’s operation of its project.

A complete submittal will include:

- Completed Application form.
- Site/Facility layout diagram.

- Facility one-line diagram.
- Scanned copy of all pages requiring signatures.

An applicant must complete the following steps in order to remain qualified for the SP3 before receiving any payment for energy produced:

- 1) Submit a complete application with all required documents and payment for all applicable fees and deposits;
- 2) Be accepted by City for assigned capacity and submit program application fee of \$1500.00;
- 3) Receive engineering approval of the project plan;
- 4) Sign and execute the PPA;
- 5) Satisfy all applicable permitting, building code, planning and land use requirements, including obtaining all necessary building permits or other approvals required by law;
- 6) Pay the cost of any electrical distribution system upgrades that may be required for City's distribution system to accommodate the PV system, if any;
- 7) Pass City's system inspection and be interconnected to the distribution system;
- 8) Complete the project by the required completion date based on the time of signing of the PPA;
- 9) Provide documentation of final system cost and capacity to City.

Note: Sample agreements are currently in draft form and subject to change. Please check the website for updates from time-to-time.