JEA Distributed Generation Policy

Effective April 1, 2018

Summary

This JEA Distributed Generation Policy is intended to facilitate generation from customer-owned renewable and non-renewable energy generation systems interconnecting to the JEA electric grid. The policy provides requirements to ensure the safety of JEA employees and customers and to maintain the reliability of the electric grid. The policy defines the billing and credit methodologies that apply to customer-owned distributed generation arrangements. Customers who meet the Net Metering grandfathering provisions in this policy will have the option to be subject to the Net Metering Policy dated December 2, 2014 for a period of 20 years, as described in the Grandfathering section of this policy.

This policy supersedes and replaces the following policies:

- *JEA Distributed Generation Policy – 12-2-14; and*
- *JEA Net Metering Policy Tiers 1-3 – 12-2-14.*

Definitions

For the purposes of this policy the following definitions apply:

- Avoided Cost – The value assigned to energy delivered to JEA, determined by the cost of the fuel that JEA would have used to generate the same amount of energy and a representative heat rate.

- Distributed Generation (DG) – Customer-owned generation located in the JEA electric service territory. Size may result in annual generation in excess of the customer's annual energy demand. Excludes customer-owned generation which is used for back-up/standby and does not operate in parallel with the JEA system.

- FERC – Federal Energy Regulatory Commission.

- Fuel Charge – The charge for the fuel component in JEA's electric rates, as defined in the JEA Pricing Policy. The Fuel Charge will be set annually during the budget process to be effective October 1 of the upcoming fiscal year. The Charge is based on the forward 12-month energy cost projection and will be structured to fully recover all expected fuel-related costs and any amounts for Fuel Stabilization Fund over the coming fiscal year

- Gross Power Rating (GPR) – The total manufacturer's AC nameplate generating capacity of an on-site, customer-owned generation system that will be interconnected to and operate in parallel with JEA's distribution facilities. For inverter-based systems, the GPR shall be calculated by multiplying the total installed DC nameplate generating capacity by 0.85 in order to account for losses during the conversion from DC to AC.

- Net Metering – A metering and billing methodology whereby customer-owned renewable generation is allowed to offset the customer's electricity consumption on site.

- Power Purchase Agreement (PPAs) – Technical and commercial agreement in which a third-party developer owns, operates and maintains an electric generation system and an electric utility purchases the system's electric output for a predetermined period.

- Private Solar – A customer-owned photovoltaic (PV) solar system on customer's home or business, usually on the roof, that produces energy to offset energy consumed.

- PURPA – Public Utility Regulatory Policies Act of 1978. Provides the definition of a Qualifying Facility (applicable to cogeneration facilities).

- Renewable Energy Generation – Energy produced from sources identified as renewable in Florida Statute 366.91(2) (d).

- Utility Distribution Service Rating – Distribution capacity rating of the JEA assets serving the customer up to the point of service. This includes, but is not limited to, the utility distribution transformer and utility service conductor.

Qualifications

In order to qualify for interconnection to JEA's distribution grid, the customer's distributed generation system must have a gross power rating that:

1. Does not exceed 90 percent of the customer's utility distribution service rating.
2. Falls into one of the following generation ranges:
   - DG-1– Less than or equal to 2 MW.
   - DG-2D – Over 2 MW gross power rating with distribution level connection to JEA's system.
   - DG-2T – Over 2 MW gross power rating with transmission level connection to JEA's system.

JEA reserves the right to impose limits on the aggregate level of intermittent renewables on the system (including Private Solar) based on either local or system-wide electrical limitations (i.e., potential backflow in an area in excess of transformer ratings). At management's sole discretion, aggregate load limits may be imposed in the future that will limit the private solar and other renewable energy generation customers by total MWs connected, date or other aggregate characteristics. Currently, no aggregate JEA system load limit is proposed for interconnection of private solar and other renewable energy generation.

JEA Distributed Generation Policy

Effective April 1, 2018

Application

An application form must be submitted by the customer and approved by JEA prior to initiating installation or construction of any distributed generation system. The customer will be required to complete and sign the application, and provide all required documentation listed in the application form, including an IRS W-9 form and an interconnection agreement. These documents can be found at jea.com. The documents must be signed by the individual who is listed on the JEA account. The application form and the interconnection agreement will be based on the system size and type of distributed generation:

- JEA Application Form for Interconnection of Distributed Generation Systems
- A Small Generator Interconnection Agreement is required for systems with less than or equal to 2 MW gross power rating to connect to JEA's system (DG-1systems).
- A Power Purchase Agreement (PPA) may be required for systems over 2 MW gross power rating to connect to JEA's system (DG-2D and DG-2T systems). A PPA is required if any sale of energy to JEA is planned.

The customer can email the application package to DistGen@jea.com or deliver to:

Manager Customer Solutions
JEA T-12
21 West Church Street
Jacksonville, FL 32202

Upon receipt of the application package, a JEA employee will contact the customer to review their proposed installation and will begin the interconnection analysis to determine any additional requirements and/or costs. The customer shall be responsible for all equipment upgrades, or similar, which would be necessary to complete the interconnection. The interconnection agreement or the PPA serves as the contract between JEA and the customer, and will include additional requirements.

Commercial customers are encouraged to utilize their key account representative if they are considering installing a DG system.

Installation

The customer will be required to install the system in accordance with JEA Rules and Regulations section 2.16 and Electric Systems Procedure ES20202 902 or its successor, as appropriate. An electrical construction permit must be obtained from the appropriate jurisdiction. The system must also pass a JEA inspection prior to connection and operation. Any required upgrades to JEA's system will be paid by the customer, or if addressed under a PPA, may be paid by JEA with the cost of the upgrades being reflected in the negotiated rate.

JEA Distributed Generation Policy

Effective April 1, 2018

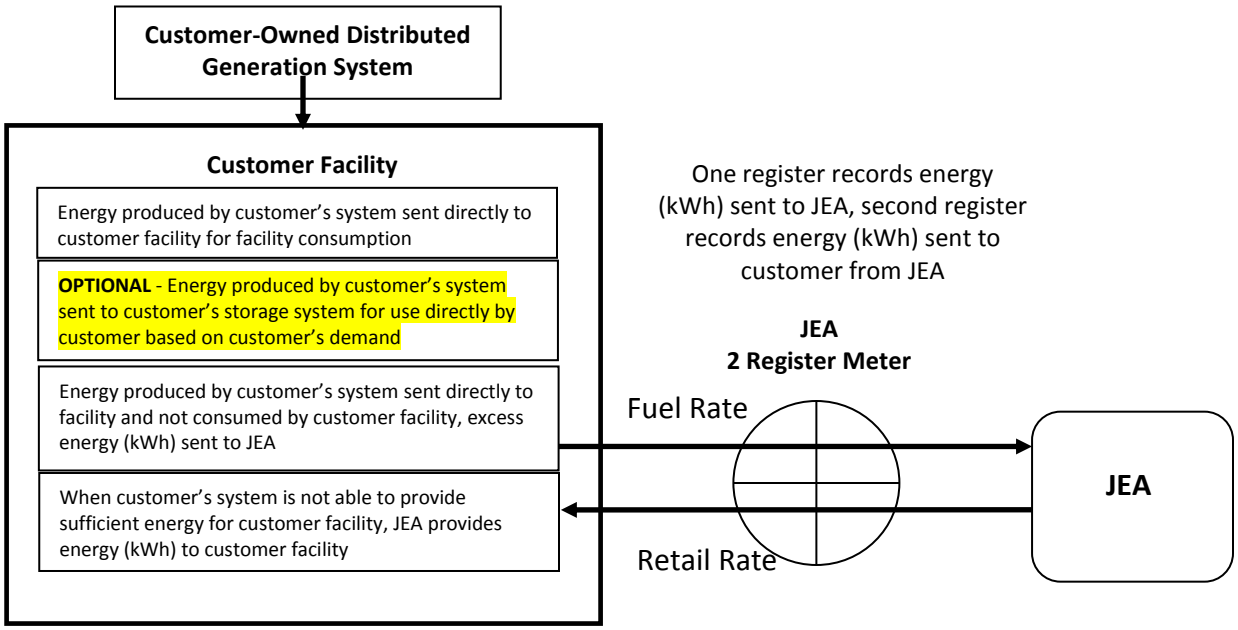
JEA will evaluate proposed DG systems using factors which include, but are not limited to, the following:

- Location of customer's generation system;
- Size (MW) of customer's generation system;
- Point of Connection to JEA's electric system and JEA study of interconnection;
- Available capacity on the JEA Distribution or Transmission system, as appropriate;
- Fuel source of customer's proposed generation system;
- Availability (capacity factor) of customer's proposed generation system;
- Environmental impact of customer's proposed generation system;
- Required upgrades, if any, to JEA's system to accommodate customer's load;
- Required level of backup by JEA to customer's system; and
- JEA's current or projected capacity and energy needs.
- For DG units utilizing JEA's transmission system to transmit energy out of JEA's territory, customer will need to request transmission service through JEA's Open Access Transmission Tariff (OATT). JEA will also need to study and approve the proposed interconnection.
- Start-up, standby, and any other ancillary services to be provided by JEA; and
- Financial strength of PPA offeror (customer).

Metering

JEA will furnish, install, own, and maintain metering equipment at the installation point capable of monitoring the flow of energy (kWh) from JEA to the customer and from the customer to JEA. Service from JEA to the customer will be the same as for retail customers.

Diagram:



JEA Distributed Generation Policy

Effective April 1, 2018

Billing

The billed kWh consumption for each billing period will be the amount of kWh received from JEA measured at the meter at the end of the billing period. Customers will be charged using the customer's Retail Rate for energy, demand, fuel, environmental and conservation charges for the metered kWh and/or kW, as applicable received from JEA during each billing cycle. The customer will always pay the monthly customer charge and the Retail Rate plus taxes and fees based on the kWh and/or kW that customer receives from JEA even if there is net zero consumption or net excess kWh exported to the grid during the billing cycle.

Systems with a gross power rating of 50 kW or greater will require standby and/or supplemental energy from JEA and will be required to take service under Rate Schedule SS-1 "Standby and Supplemental Service."

JEA reserves the right to develop specific rate classifications that may have different cost recovery based rate structures than implied through distributed generation practices under this policy.

Credits

DG-1 Systems (Including Private Solar)

Monetary credits for each billing period will be based on the kWh sent to JEA measured at the meter on an instantaneous basis , multiplied by the fuel rate. If the credit for a billing period is larger than the charges received from JEA, then JEA will carry over the credit balance (in dollars), less any included taxes, to the next billing period. JEA will not distribute a monthly payment for the credit balance. JEA will apply the credit balance to the electric service balance each billing period through the end of the calendar year. If at the end of the calendar year the customer has a credit balance on the customer's JEA account related to their distributed generation service, the credit balance will be applied to any outstanding balance on the combined JEA customer account. JEA will then pay the customer the remaining account credit balance. JEA will also apply any credit balance to the final bill at the time the service agreement, or account, is closed and final billed. At the end of each, year JEA will issue an IRS 1099-MISC tax form totaling all monthly credits for the previous year to customers with total credits of $600 or greater.

DG-2D and 2T Systems

Distributed Generation systems are considered to be DG-2D if connected to JEA's system at the distribution level, and DG-2T if connected at the transmission level. Other than the type of connection to JEA's electric grid, DG-2D and DG-2T are the same. The rates for energy delivered to JEA by DG-2D and DG-2T generation systems will be addressed on an individual basis with the customer through a Power Purchase Agreement (PPA). PURPA Qualifying Facilities may receive Avoided Cost payments for energy sold to JEA.

JEA Distributed Generation Policy

Effective April 1, 2018

Additional Requirements for Systems over 100 kW

The following requirements are in addition to those in the Policy Statement above and must be submitted to JEA in order to properly evaluate the request to interconnect to the JEA grid:

1. Completed application with signature and fees as established in the JEA Electric Service Tariff;
2. Completed interconnection agreement;
3. Completed Power Purchase Agreement (PPA), if applicable;
4. Proof of general liability insurance of $2 million; and
5. Evidence of the proposed installation of an externally accessible, lockable a/c disconnect device located in close proximity to the meter location.

Please note that given the complexity and variability of systems of this size, there may be other protection equipment required beyond the disconnect switch, which will be determined through the interconnection study performed by JEA. Any additional equipment costs will be incurred by the customer.

The customer can email the application package to DistGen@jea.com or deliver to:

Manager Customer Solutions
JEA T-12
21 West Church Street
Jacksonville, FL 32202

Upon receipt of the application package, a JEA employee will contact the customer to review the proposed installation and begin the interconnection analysis to determine any additional requirements and/or costs. The customer shall be responsible for all equipment upgrades, or similar, which would be necessary to complete the interconnection. The interconnection agreement or the PPA serves as the contract between JEA and the customer, and will include additional requirements.

PURPA Qualifying Facilities

Facilities proposing to sell electricity as a "Qualifying Facility" as defined by the Public Utility Regulatory Policies Act of 1978 ("PURPA") and the Federal Energy Regulatory Commission ("FERC") regulations implementing PURPA, may fall into the DG-2D or DG-2T categories. A "Qualifying Facility" is one that meets certain federal guidelines and qualifies to receive avoided cost payments from the utility. Depending on the project, a customer may need to fill out FERC Form 556, which is available on the FERC website.

Facilities larger than one (1) MW in size as defined by maximum net power production capacity must file a FERC Form No. 556 either as a self-certification (or self-recertification) or as an application for Commission certification.

PURPA Qualifying Facilities are eligible to receive payments of avoided costs from JEA for energy delivered to JEA.

Grandfathering

Customers with solar PV systems installed under Net Metering by March 31, 2018 have the option of remaining as net metering customers (under the December 2, 2014 program policy), or voluntarily withdrawing from the program. The grandfathering will be attached to the system, not the customer, so the system will remain as a grandfathered net metered system when a home is sold and a new interconnection agreement is signed for the existing system. The grandfathering is not transportable, i.e., it cannot be moved by a customer to a new location.

The grandfathered status will expire 20 years after the effective date of this policy (March 31, 2038), unless terminated earlier due to voluntarily withdrawal.

Additionally, if the solar PV system is integrated into the construction of a new home, that system will qualify for Net Metering under the December 2, 2014 program policy, provided the following:

- Home/solar PV system is contracted by December 31, 2017.
- Home/solar PV system is constructed by June 30, 2018.

Systems qualifying for the December 2, 2014 program policy under the new home provisions will maintain their grandfathered status for 20 years from the date of completion (i.e., no later than July 1, 2038), or until voluntary withdrawal from the program. The grandfathering will be attached to the system, not the customer, so the system will remain as a grandfathered net metered system when a home is sold and a new interconnection agreement is signed for the existing system. The grandfathering is not transportable, i.e., it cannot be moved by a customer to a new location.

Renewable Energy Attributes

All DG-1 and DG-2 customers will retain any renewable energy attributes associated with customer-utilized renewable generation. For any kWh purchased by JEA, the renewable energy attributes will be transferred to JEA.

JEA Distributed Generation Policy

Effective April 1, 2018

Appendix

The following table summarizes this policy for each category of distributed generation.

Distributed Generation Policy Summary

Generation Range	Energy (kWh) Received (Purchased) from JEA	Energy (kWh) Delivered (Sold) to JEA	Notes
DG - 1 up to 2 MW	Retail Rate	Fuel Charge	• SS-1 Service may be required over 50 kW • Application fee required over 100 kW • Interconnection Agreement required
DG-2D – Over 2 MW – Distribution Level Connection	Retail Rate	Avoided Cost (for PURPA Qualifying Facility)	• PPA may be required • SS-1 Service may be required • Application fee required • Interconnection Agreement required
DG-2T – Over 2 MW – Transmission Level Connection	Retail Rate	Avoided Cost (for PURPA Qualifying Facility)	• PPA may be required • SS-1 Service may be required • Application fee required • Interconnection Agreement required