

Ordinance No. 09-05

**AN ORDINANCE ADOPTING
NET ENERGY METERING FOR THE CITY OF LEBANON UTILITIES**

WHEREAS, the City of Lebanon, Indiana owns and operates its own electric utility under the supervision and control of the City of Lebanon Utility Service Board under IC 8-1.5-3-4, and the Board has recommended to the Council that it adopt by Ordinance a Net Metering program for use by electric utility customers. Based upon the Board's recommendation, and being duly advised, the Council has determined that the development of a Net Metering program in the City of Lebanon may encourage the use of renewable energy resources and renewable energy technologies as well as promote the wise use of Indiana's natural energy resources to meet growing electricity demand; and

WHEREAS, "Net Metering" is an arrangement of equipment for the production of electricity from the solar, wind, biomass, geothermal, or hydroelectric facilities that are owned and operated by residential, commercial or industrial customers of the City utility which allows a customer to offset its use of electricity by spinning the customer's electric meter backwards, effectively crediting the customer for electricity contributed to the grid; and

WHEREAS, under a Net Metering arrangement, in those instances when the Net Metering customer's facility is not producing sufficient electricity to meet the customer's needs, the customer-generator purchases electricity from the utility under a typical retail service schedule or tariff. Conversely, any electricity produced by a customer in excess of the customer's needs is fed into the utility grid and offsets the customer's electric bill; and

WHEREAS, the Council believes development of a Net Metering program that encourages energy users to become more energy efficient reduces demand and potentially reduces energy bills, is an appropriate undertaking for the benefit of ratepayers and is in the public interest;

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEBANON:

SECTION 1. The findings and determinations set forth in the preambles to this Ordinance are hereby made findings and determinations of the Council.

SECTION 2. The City of Lebanon encourages interested citizens and businesses to invest in renewable electric energy generation systems and enter into a Net Metering arrangement with the municipal electric utility of the City of Lebanon.

SECTION 3. "Eligible Net Metering Customers" include residential, commercial, and industrial customers in good standing that own and operate a solar, wind, biomass, geothermal, or hydroelectric generating facility that: (a) has a nameplate capacity less than or equal to ten (10) kilowatts (kW); (b) is located on the customer's premises and is operated by the customer; and (3) is used primarily to offset all or part of the customer's own electricity requirements.

SECTION 4. The Council authorizes the utility to offer Net Metering to Eligible Net Metering Customers on a first come, first served basis. The utility shall limit the aggregate amount of net metering facility nameplate capacity from all Eligible Net Metering Customers to one-tenth of one percent (0.1%) of the utility's most recent summer peak load.

SECTION 5. The Utility shall measure the difference between the amount of energy delivered by the Utility to the Eligible Net Metering Customer and the amount of energy generated by the Eligible Net Metering Customer and delivered to the Utility. If the Eligible Net Metering Customer generates more energy than it consumes in a month, the customer shall receive a bill credit from the utility for the amount of surplus energy generated. The utility shall not purchase or wheel power produced by an Eligible Net Metering Customer's facilities.

SECTION 6. The attached "Net Metering Tariff" shall be adopted as the terms and conditions under which the utility will offer Net Metering to Eligible Net Metering Customers.

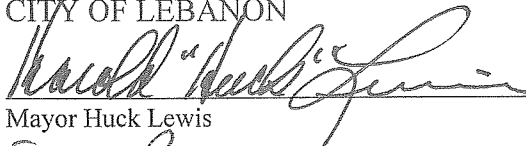
[The attached Net Metering Tariff shall be filed with and become effective upon approval by the Indiana Utility Regulatory Commission.]

SECTION 7. In accordance with the terms of the attached Net Metering Tariff, the utility shall enter into an interconnection agreement with the Eligible Net Metering Customer, which incorporates technical interconnection requirements and does not conflict with this Ordinance before the Net Metering facility may be interconnected with the utility's system.

Effective Date. This ordinance shall be in full force and effect from and after its passage.

PASSED AND ADOPTED by the Common Council of the City of Lebanon, Indiana, this 10 day of AUG, 2009.

COMMON COUNCIL OF
CITY OF LEBANON



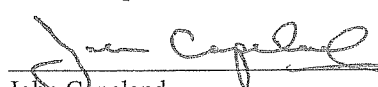
Mayor Huck Lewis



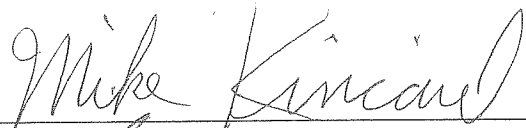
Dick Robertson



Keith Campbell



John Copeland




Mike Kincaid



Jeremy Lamar

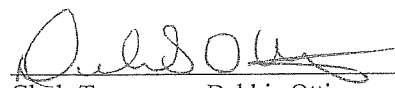


Steve Large



Brent Wheat

ATTEST:



Clerk-Treasurer – Debbie Ottinger