

**CITY OF PARIS
ORDINANCE NO. 2026-1**

AN ORDINANCE CONCERNING NET ENERGY METERING

WHEREAS, the City of Paris desires to provide a rate available to permanent residential, general services, or industrial Net Energy Metering customers in areas served by the City of Paris Electric Department.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF PARIS CITY COMMISSION THAT THE FOLLOWING SECTIONS OF THE CODE OF ORDINANCES BE ADDED TO CHAPTER 34 OF THE CODE OF ORDINANCES:

Section 1. Policy and Terms

(A) Availability

The Net Energy Metering ("NEM") rate is available to any permanent residential, general service, or industrial NEM customer in any area served by the City of Paris Electric Department electric system in accordance with The City's terms and conditions for providing electric service. NEM is available only by request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the City's single hour peak load during the previous year. An eligible NEM customer shall mean a retail electric NEM customer of the City with a generating facility that:

1. Generates electricity using solar energy only.
2. Has a rated capacity of not greater than (10) kilowatts residential; (30) kilowatts commercial/industrial
3. Is located on the NEM customer's premises.
4. Is owned and operated by the NEM customer.
5. Is connected in parallel with the City's electric distribution system; and
6. Has the primary purpose of supplying all or part of the NEM customer's own electricity requirements.

The term "NEM customer" hereinafter shall refer to any NEM customer requesting or receiving NEM services in accordance with the City's terms and conditions for providing electric service.

(B) Limitations

At its sole discretion the City may discontinue this NEM schedule and application with ninety (90) days written notification. The City shall not be liable for any expense incurred as a result of the determination to discontinue this schedule.

Generation facility sizing is restricted to the average annual load of customer as determined by kWh usage. The City has the right to restrict installation size to less than maximum allowances based on customer load requirements.

(C) Metering

The City shall provide net-metering services through a bi-directional kilowatt-hour metering system capable of measuring the flow of electricity in two directions. The NEM customer shall be responsible for paying the metering costs for this meter embedded in the City of Paris electricity rates ordinance relevant to their customer classification. Net-metering shall be measured in accordance with standard metering practices established by the City of Paris using metering equipment capable of measuring and recording the flow of energy, in kWh, on an hourly basis, (a) delivered to the NEM customer by the City and (b) received by the City from the NEM customer. Such meter shall be capable of determining energy associated with the City providing energy to the NEM customer under the rate schedule appropriate for such deliveries.

Section 2. NEM Charges and Credits

(A) Charges

Charges for energy delivered to the NEM customer by the City in any given hour shall be determined according to the rate schedule appropriate or applicable for the NEM customer per the City's standard rate classifications.

(B) Credits

Credits for energy received by the City from the NEM customer in any given hour shall be determined by an NEM energy credit rate applied to all energy received from the NEM customer during the monthly billing period. The NEM energy credit rate shall be calculated annually and be based on the City's actual annual wholesale power costs, as adjusted, to reflect the value of solar power. The NEM energy credit rate may be revised in the future at any time.

For purposes of determining monthly bills for NEM customers, the monthly credit for energy received by the City from the NEM customer will be subtracted from charges for all energy delivered to the NEM customer by the City. If the net charges (charges less credits) amount is greater than zero, then the NEM customer will be billed for the net amount. If the net charges amount is less than zero, then the City will credit the net charges to the NEM customer's account. Any excess net charges shall be accumulated, carried forward and applied at the first opportunity to any monthly billing periods having positive net charges. Any accumulated billing period credits remaining unused at the end of a 12-month period will expire and zero out. If an account is closed and has a credit balance, any existing credit may be transferred to another active account with the City of Paris if applicable.

The current NEM energy credit rate shall be \$.05972 per kWh.

Section 3. Application and Approval Process

(A) Process

The NEM customer shall submit an Application for Interconnection and Net Metering (Application) and receive approval from the City prior to installing the generator facility

to the City's system. Applications will be submitted by the NEM customer and reviewed and processed by the City of Paris. Applications must contain approved drawings and plans and be approved by a Kentucky licensed electrical engineer prior to the City approval. The City may reject any Application for violations of any code, standard, or regulation related to reliability or safety; however, the City will work with the NEM customer to resolve those issues to the extent practicable. The City may also reject any application that it determines to be detrimental to the City electric distribution system.

(B) Administrative Fee

Upon submission of the required application to the City, the NEM customer shall pay a non-refundable administrative fee of \$150.00.

(C) Terms and Conditions

To interconnect to the City's distribution system, the NEM customer's generating facility shall comply with the following terms and conditions:

- 1) The City shall provide the NEM customer metering services through a bi-directional kilowatt-hour metering capable of measuring, on an hourly basis, the power and energy, as applicable for billing purposes, (i) delivered to the NEM customer by the City and (ii) received by the City from the NEM customer. If the NEM customer requests any additional metering or distribution upgrades, such installations shall be at the NEM customer's expense.
- 2) The NEM customer shall install, operate, and maintain, at NEM customer's sole cost and expense, any control, protective, or other equipment associated with the generating facility. The customer's system must meet the City's technical interconnection requirements, which are based on IEEE 1547 standards, the National Electrical Code (NEC), guidelines from accredited testing labs like Underwriters Laboratories, and the manufacturer's recommended practices. These ensure the generating facility operates safely, efficiently, and reliably in parallel with the City's electric system. The NEM customer shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from the City, the NEM customer shall fully demonstrate generating facility compliance. Should the NEM customer request assistance related to the generation system performance or safety, those costs will be at the customer's expense at the current City hourly rate as stated in the City's rate ordinance.
- 3) The generating facility shall comply with, and the NEM customer shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) the City's rules, regulations, and the City's Service Regulations as contained in the City's Code of Ordinances as may be revised from time to time (d) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where

required by law or regulation, the NEM customer shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.

- 4) Any changes or additions to the City's system, including special metering installations, required to accommodate the generating facility shall be considered excess facilities. The NEM customer shall pay the City for actual costs incurred for all such excess facilities prior to construction.
- 5) The NEM customer shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of the City's electric system. At all times when the generating facility is being operated in parallel with the City's electric system, the NEM customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by the City to any of its other NEM customers or to any electric system interconnected with the City's electric system. The NEM customer shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, the City's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.
- 6) NEM customer shall be responsible for protecting, at NEM customer's sole cost and expense, the generating facility from any condition or disturbance on the City's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges. Should such condition or disturbance be determined to be NEM equipment, the NEM customer shall reimburse the City for any and all expenses incurred to determine such disturbance.
- 7) After initial installation, the City shall have the right to inspect and/or witness commissioning tests. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the NEM customer, the City shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this NEM policy.
- 8) When required by the City's electric operators, an eligible NEM customer shall furnish and install on the NEM customer's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the NEM customer's energy generating equipment from the City's electric service under the full rated conditions of the NEM customer's generating facility. The external disconnect switch (EDS) location will be determined by the City and shall be located adjacent to the City's meters. If the location of the EDS is not at the customer's master meter, it shall be noted by placing a permanent sticker on the master meter indicating the EDS location. The EDS shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the master

meter but at the NEM generator meter, the NEM customer shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be promptly accessible to City personnel at all times. In the event the City disconnects customer generation the City will not be held liable for any damages or revenue loss as a result from such disconnect.

- 9) The City shall have the right and authority at the City's sole discretion to isolate the generating facility or require the NEM customer to discontinue operation of the generating facility if the City believes that: (a) continued interconnection and parallel operation of the generating facility with the City's electric system creates or contributes (or may create or contribute) to a system emergency on either the City's or NEM customer's electric system; (b) the generating facility is not in compliance with the requirements of this ordinance, and the noncompliance adversely affects the safety, reliability, or power quality of the City's electric system; or (c) the generating facility interferes with the operation of the City's electric system. In non-emergency situations, the City shall give the NEM customer notice of noncompliance including a description of the specific noncompliance condition and allow NEM customer a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the City is unable to immediately isolate or cause the NEM customer to isolate only the generating facility, the City may isolate the NEM customer's entire facility. Any cost incurred by the City because of the improper performance of NEM equipment or operation shall be charged to the NEM customer's billing account and paid along with the next service bill due. Any such unpaid expense shall be grounds for service termination at any of the NEM customer's facilities.
- 10) The NEM customer shall agree that, without prior written permission from the City, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new Application which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements and not resulting in increases in generating facility capacity is allowed without written approval. However, the City must be notified to inspect the repaired component/operation prior to continued operation. Failure to do so will result in termination of NEM service.
- 11) To the extent permitted by law, the NEM customer shall protect, indemnify, and hold harmless the City and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorney's fees, for or on account of any injury or death of persons or damage to property caused by the NEM customer or the NEM customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the NEM customer's generating facility or any related equipment or any facilities owned by the City.

- 12) The NEM customer shall always maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for a generating facility. NEM customer shall, upon request, provide the City with proof of such insurance at the time that application is made for NEM service and provide a certificate of liability insurance on an annual basis in accordance with City requirements. Such certificate shall name the City of Paris Combined Utilities as "Certificate Holder". All of the policies of insurance so required to be purchased and maintained for the certificates or other evidence thereof shall contain a provision or endorsement that the coverage afforded will not be cancelled, materially changed or renewal refused until at least thirty (30) days' prior written notice has been given to the City by certified mail. All such insurance shall remain in effect until written notice and verification that NEM facilities are rendered inoperative and completely disconnected from the City's utility system. The limits of liability for the insurance required above shall provide coverage for not less than the following amounts or greater amounts where required by Laws and/or Regulations:

General Liability

Commercial General Liability (each occurrence)	\$1,000,000
General Aggregate	\$1,000,000
Products – Comp/Op AGG	\$1,000,000
Personal and Adv Injury	\$1,000,000
Fire Damage (each occurrence)	\$ 500,000
Medical Expense (any one person)	\$ 100,000

Excess Liability

Umbrella Form (each occurrence)	\$1,000,000
Aggregate	\$1,000,000

If at any time it is determined that such insurance is invalid, the City shall immediately disconnect NEM generating facilities from the electric distribution system.

- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, the City does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A NEM customer's generating facility is transferable to other persons or service locations only after written notification to the City has been made and verification that the installation is in strict compliance with this NEM policy. Upon written notification that an approved generating facility is being transferred to another person, NEM customer, or location, the City will verify that the installation is in compliance with the City's policies and standards and provide written notification to the NEM customer(s) within 20 business days. If the

installation is no longer in compliance with policy or standard, the City will render it inoperative and notify the NEM customer in writing and identify what must be done to place the facility in compliance.

The foregoing ordinance shall take effect immediately upon execution and publication.

The foregoing ordinance was introduced and read for the first time as the City Commission's meeting of January 13, 2026. Read for the second time, adopted and approved at its regular meeting of February 10, 2026.

John A. Plummer, Mayor

ATTEST:
Stephanie Settles, City Clerk