

Issues You Should Consider Regarding Distributed Generation

1. Who will pay for the administrative costs of implementing this and is the city/town billing software able to address these types of readings and billings? As part of this process, your city may need to adopt a rate which would allow you to fully recover your fixed costs, since many fixed costs are embedded in your energy charges.

2. Since metering is not inexpensive, the city/town may wish to consider requiring the customer to pay for all cost above the standard meter cost and installation.

3. Due to safety concerns, the city/town would need to address back feeds that could harm electrical workers. The city/town would have to detail some type of protection requirements for employees and workers to ensure the line is dead when work is being performed in normal or storm situations. This cost would need to be addressed. In addition, the city/town may wish to have some insurance requirement for protection if a citizen were to come into contact with a live line that was not on the city system at the time of contact.

4. The life of a small wind unit is around 15 years, plus maintenance cost. When you take this into consideration, there is no pay back to the customer and it actually ends up costing them money. Solar panels have a life expectancy of about 20 to 25 years, and their value and wattage output decrease steadily over time.. This is what all the customers that we are aware of have discovered when considering the installation of wind or solar power production facilities at their home or at businesses.

These comments are not designed to be road blocks but to point out it's not as simple as buying one, putting it up, running it and trading electric on a one-for-one basis. We would imagine your city/town would also need to address the height, noise and harmonic issues in residential neighborhoods and commercial locations.

For these reasons, there have not been any installations that we are aware of on a member city distribution system. Most customers look at the total dollars and are simply trying to save money on energy costs. That is why OMPA, through a stimulus grant award, has been working with members by doing residential energy audits. An audit points out steps that the homeowner can take in order to reduce their energy costs. Whether it be new windows, additional insulation, upgrading lighting, etc.

OMPA also provides a rebate program which encourages the installation of geothermal heat pumps, air-source heat pumps, dual-fuel heat pumps and high-efficiency air conditioners. The audit and rebate programs are just two examples of ways customers can save money on energy costs.

Wind Turbine and Solar Panel Considerations for OMPA cities



"This publication is issued by the Oklahoma Municipal Power Authority. Copies have not been printed but are available through the agency website."



Recently, some OMPA member cities have been contacted by customers concerning the installation of wind or solar generation at their homes/businesses and net metering. As a result, OMPA staff has received inquiries requesting guidance on how to respond to customers.

Currently, all 39 members of the OMPA power supply program have an “all-requirements” contract with OMPA. This means the city/town cannot purchase power from another source, with the exception of SWPA allocation, which is recognized in the contract. This is a matter of key concern and ultimately requires OMPA to inform the city/town that they **cannot contract** with these types of installations.

OMPA is not prohibiting the installation of this type of equipment, but rather seeking a way to address this growing interest, while at the same time protecting the contract. The contract is the security for nearly \$600 million in bonds issued for power plants and other power supply components.

Many vendors promise consumers possible electric savings. However, these projected savings may be based upon what is available from other utilities.

On the back of this brochure, you will find some concerns that your city/town should consider on how to address these issues.

Until then, we can offer the following guidance on how to address these inquiries.

Net Metering:

For small (<1,000kw) generators, usually wind or solar, in which the customer wants to install and receive Net Metering, the answer will have to be that it is not available. Net metering is when the customer is interconnected, and in parallel with your distribution system and has the potential to feed energy back onto the system. Net metering tariffs are currently not allowed.

Standby (Isolated) Generators:

The installation of small generators that are completely disconnected (isolated) from your distribution system is **ALLOWED** under OMPA’s policies. However, you will need to develop your own set of requirements regarding these installations.

Large Interconnected Generators:

Large (>1,000kw) generators which desire to export power onto the electrical grid will be required to submit such a request to the Southwest Power Pool. This applies to individual generators in excess of 1,000kw, or multiple generators which in aggregate exceed 1,000kw.



As mentioned previously, OMPA staff is investigating what would be required to allow distributed generation if a member system determines they want to allow this on their system. As soon as we are able to provide additional guidance, we will be back in touch.

