City of Batavia
Customer Self-Generation and Net Billing Policy
Effective June 1, 2026

Section 1: In accordance with Illinois Public Act 102-0662, the City of Batavia hereby reaffirms its sole right to govern its municipal electric utility and under that governance establishes the following Customer Self-Generation and Net Billing Policy that strives to balance the rights of those customers who wish to self-generate against the rights of other non-self-generating customers.

Section 2: The City of Batavia hereby reaffirms its long-term goal to supply 100% renewable energy to its customers by the year 2050.

Section 3: The City of Batavia is obligated to purchase energy from the Northern Illinois Municipal Power Agency (NIMPA), via a take-or-pay Power Sales Agreement, through at least the year 2042. The City is obligated to purchase fifty-five megawatts (55 MW) of energy on a 24/7/365 basis. The City's annual energy purchase obligation currently exceeds the quantity of energy utilized annually by the City. Excess energy purchased by the City is sold back into the wholesale marketplace.

Section 4: (a) The City of Batavia shall make available, upon request, net billing service to any residential, commercial, or industrial customer who meets the requirements set forth in this policy.

(b) For purposes of this policy "net billing" means service to an electric customer under which renewable electric energy generated by that customer from an eligible on-site renewable generating facility owned by that customer and, under some circumstances, delivered back to the local distribution facilities, may be used to offset electric energy supplied by the utility to the customer as provided for in this policy. The term "net billing" is not used as a limiting term, but rather is used in its general sense to include assigning fair value to customer self-generation and implementing fair credit for energy delivered from the customer to the local distribution system.

Multi-unit residential and commercial buildings qualify as a single customer for purposes of this policy if all units utilize a single meter on the

same account. The City of Batavia is not responsible to allocate renewable generation facilities to individual metered accounts within multi-unit residential or small commercial buildings.

(c) Before any projects start construction, customers must apply for and receive all necessary permits from the City. Before the project in-service date, the contractor/customer must receive all required final approvals from the City.

Section 5: For purposes of this policy an eligible on-site renewable generating facility shall be defined as a photovoltaic system, small wind turbine and/or renewable energy battery storage technologies located at the customer's premises. Other forms of renewable generation shall be considered by the City of Batavia on a case-by-case basis. In all cases, facilities interconnected must be owned by the customer and deemed by the City of Batavia to be renewable to qualify for this policy.

Section 6: The renewable electric generating facility must also abide by the City of Batavia's Interconnection Standards currently in place at the time of installation to be an eligible on-site renewable generating facility.

Section 7: (a) Subject to the limitations set forth herein, the City of Batavia shall make net billing service available upon request to any residential, commercial, or industrial electric customer with an eligible on-site renewable generating facility owned by the customer.

(b) The eligible on-site renewable generating facility shall be located on the customer's premises and on the customer's side of the electric meter. The system shall be sized to primarily produce and/or store only enough electricity to offset the customer's own usage.

(c) The rated capacity of Residential systems shall be sized to offset their own electrical requirements, not to exceed 25kWac. If a residential customer desires to install a renewable generation system having a rated capacity in excess of 25 kW_{AC}, the customer shall submit a formal written request for a larger system in conjunction with their interconnection and building permit applications. The City will review the customer's historic energy usage, based on the most recent 12-months of meter data, and determine on a case-by-case basis if a larger system is warranted.

(d) Commercial and Industrial renewable generating facilities shall be considered on a case-by-case basis. The system size in kW_{AC} shall be determined by analyzing the previous 36 months of historical energy usage to calculate the expected annual usage.

(e) In addition to historic usage, The City shall consider potential adverse impact to the distribution system and to other customers of the City that will be caused by or expected to be caused by the installation of the new renewable generating facility at the particular customer service location as part of the interconnection application review. The maximum size of the eligible on-site generating facility for an individual customer service location shall be reduced below the expected annual usage of the customer to mitigate the potential adverse impacts to the distribution system or portions thereof and to the other customers of the City unless the customer pays for any necessary upgrade to the system or portion thereof to avoid the potential adverse impact.

(f) Residential, Commercial, or Industrial customers that wish to modify their existing renewable generation systems either by adding additional generation or battery storage shall apply for a building permit and modified interconnection agreement. The previous 12 month period shall be used to determine the average for the expected annual usage.

(g) If the applicable months of data are not available for an individual customer, the average usage amounts by other similar customers of the City, as determined by the City, shall be used to set the expected annual usage.

Section 8: The City of Batavia reserves the authority to withhold, deny or delay approval of the interconnection of proposed on-site renewable generating facilities and of net billing service hereunder if the operation of the facility would be unsafe or pose a risk of adverse impacts to the distribution system or portions thereof or to the property of other customers of the City. The City of Batavia shall withhold approval for only so long as is reasonably necessary to remedy the risk of adverse impact. The City of Batavia shall only deny approval if the adverse impact cannot reasonably be remedied or if the customer refuses to meet all applicable State and local safety and electrical code requirements or refuses to provide for payment of the costs of the improvements to the facility or the City's electric distribution system that are required to accommodate the otherwise eligible on-site renewable generating facility. The City of Batavia shall not be required to make unscheduled

improvements to its distribution system or portions thereof to remedy the situation causing the delayed or withheld approval unless the customer agrees to pay for the reasonable costs thereof. Likewise, the City may require a customer with an approved on-site renewable generating facility that has been installed and begun to operate to suspend operations of the facility if it becomes unsafe or causes adverse impacts to the distribution system or portions thereof or to the property of other customers of the City, and such suspension shall be in place only so long as is reasonably necessary to remedy the adverse impact. The City of Batavia may require the customer to disconnect the on-site renewable generating facility from the distribution system in serious situations.

Section 9: (a) Renewable energy generated by a customer-owned renewable generating facility during a given billing period may supply all or a portion of the energy required by a customer's load.

(b) Bidirectional metering equipment, of the type and specification determined by the City, shall be installed, at the City's expense, to measure the flow of electrical energy from the City to the customer and also from the customer to the City.

(c) The customer shall be fairly billed for all energy delivered by the City and fairly credited for all energy delivered back to the City from an approved on-site renewable generating facility.

(d) The following billing and credit methodologies shall be used for all renewable self-generation customer accounts for bills issued after August 1, 2022, including those accounts for self-generation systems that were constructed prior to the original effective date of this policy:

> (i) The customer shall be billed monthly for all energy delivered by the City to the customer, as measured at the meter, at the appropriate unit rate based on the rate classification under which the customer takes electric service from the City including all taxes, fees and other charges that are applicable to the customer's rate classification.
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> (ii) The value of energy delivered from the customer to the City, as measured at the meter, shall be credited monthly to the customer's account based upon the lesser of 1) the appropriate unit rate based on the rate classification under which the customer takes electric service from the City OR 2) a wholesale unit rate calculated by summing the

prior-year average annual locational marginal energy unit price, the prior-year average annual unit price of capacity and the prior-year average annual unit cost of network transmission, congestion and losses, all as reported at the BATAVIA Hub within the PJM Regional Transmission Organization. Unless specified otherwise within Section 9.d.iii, a Net Billing Transition Factor shall be added to the wholesale unit rate as further described below. All calculations shall be updated annually by the City and applied to bills issued after August 1 of each year.

(iii) A Net Billing Transition Factor shall be added to the calculated wholesale unit rate as referenced in Section 9.d.ii unless the total connected capacity of all customer-owned renewable generation facilities exceeds twenty percent (20%) of the City's electric system peak from the prior calendar year. The Transition Factor shall be as follows:

(a) For bills issued after August 1, 2022 = $0.045 / kWh
(b) For bills issued after August 1, 2023 = $0.030 / kWh
(c) For bills issued after August 1, 2024 = $0.015 / kWh
(d) For bills issued after August 1, 2025 = $0.000 / kWh

If the total connected capacity of all customer-owned renewable generation facilities exceeds twenty percent (20%) of the City's electric system peak from the prior calendar year, then no Transition Factor shall be applied.

Section 10: Any costs incurred by the City of Batavia associated with interconnection of a customer's renewable generating facility including, but not limited to, modifications to the customer's electric service, or reasonably necessary upgrades to the City's distribution system, or a portion thereof, that is not on the customer's premises, shall be borne solely by the customer. Costs assessed under this Section shall be demonstrable and cost-based. Such costs shall not include or be based on reduced sales by or lost revenues to the City of Batavia associated with net billing service.

Section 11: The City of Batavia reserves the right to interpret, amend or rescind this policy. Nothing herein is intended to, nor shall it create a right for a customer to rely on any particular procedure, calculation or methodology described herein. This policy is subject to change in accordance with the laws

of the State of Illinois governing municipalities.

Section 12: Citizen and customer concerns generally with this Self-Generation and Net Billing Policy may be raised in the public comment portion of any open meeting of the governing body of the City of Batavia at any time and will be considered by the governing body in accordance with its normal processes.

Individual customer complaints, disputes or concerns shall be raised in the first instance with the City's Director of Public Works. If the matter is not satisfactorily resolved, then it shall be reduced to writing and forwarded to the City Administrator who shall schedule a meeting in person or by telephone or other communications media (i.e., Zoom call) with the customer. The customer may invite its contractor or other consultant to participate in the meeting. If the matter cannot be resolved at this stage, the process will escalate to City Council. If this process fails to resolve the matter, the customer may appeal it to the circuit court and exercise whatever rights and remedies the customer may have in law or equity.

This policy shall be posted on the City of Batavia website along with appropriate contact information.