

Ordinance No. 587-2026

By Council Members Kazy and Griffin
(by departmental request)

AN EMERGENCY ORDINANCE

To amend Section 523.25 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 1662-09, passed December 7, 2009, relating Interconnection Service for Distributed Generation.

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That Section 523.25 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 1662-09, passed December 7, 2009, is amended to read as follows:

(a) *Applicability.* Interconnection shall be available to residential and non-residential customers whose accounts are paid in full at the time of the request for interconnection and who purchase their requirements of electric service from the Division under the applicable rate schedule and own and operate distributed generation located on the residential and/or non-residential customer's premises. ~~The total rated capacity of such generators shall not exceed one thousand (1,000) kW per customer premises.~~

(b) *Definitions.*

(1) "Customer premises" is the site where the distributed generation is produced and consumed, including adjacent or contiguous property.

~~(2)~~ (2) "Distributed generation" is electrical generation located on the customer's premises that:

A. Is primarily intended to offset part or all of the customer's own electrical requirements on the premises;

B. Is interconnected with the Division's electric system in compliance with the terms of division (c) of this section; and

C. Operates in parallel with the Division's distribution system.

(3) "Excess Generation" is the kilowatt hours of energy supplied by the customer's distributed generation resource that exceeds the amount of energy consumed by the customer in a billing period.

(c) *Service by Distributed Generation.* No customer shall transmit, distribute or deliver electricity from the customer's distributed generation to any location other than the Customer's premises absent the Division's written consent.

~~(e)~~ (d) *Interconnection.* No customer shall connect distributed generation to the Division's distribution system except upon the Division's approval of a written application in a form prescribed by the Division. The customer shall be responsible for the permitting, design, installation, operation, and maintenance of the distributed generation; the costs of any necessary modification of the Division's facilities; and payment of the Division's cost to review the application and perform any necessary studies. The distributed generation shall comply with all applicable safety, power

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quality, and interconnection requirements established by the National Electric Code (“NEC”), the Institute of Electrical and Electronics Engineers (“IEEE”), Underwriters Laboratories (“UL”), and any applicable local and state agencies.

The Division shall have the right to approve the type of generation installed by the customer based on considerations of health, safety, regulatory compliance by the Division, and the reliability of the Division’s distribution system.

The Division ~~may~~ shall limit interconnected distributed generation to fifteen percent (15%) of the peak load of the line or line segment, or such other limit as the Division deems appropriate for safety and reliability purposes.

(e) Sales to Customer. Customer shall pay for electricity delivered to customer from the Division measured by a single bidirectional electric meter or meters capable of recording the flow of electricity in each direction. Sales to a customer with a customer-owned distributed generation facility shall be consistent with the applicable retail rate tariff established by the Division applicable to the customer as if there were no customer-owned renewable resource generation facility pursuant to C.O. 523.02 through 523.0491. Except for Commercially Contracted Alternative Rate and Capacity Enhancement customers, the Customer shall also pay a Power Supply Recovery (PSR) charge pursuant to C.O. 523.21.

(f) Credits for Excess Generation from a Customer-Owned Distributed Generation Facility. Credits for Excess Generation, as defined in the Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities, from an approved Customer Distributed generation facility shall be calculated using at the Division’s avoided power supply cost rate as determined by the Division as published annually, and as may be adjusted at any time. In exchange for the Excess Generation, the customer shall receive a monetary credit issued in accordance with Section 523.26(d) on a monthly basis (Customer Owned Generation Credit). After the PSR is calculated, the Division will remove the costs related to the capacity and transmission to determine the Customer Owned Generation Credit.

The Division shall not provide, and the customer shall not be entitled to, Customer Owned Generation Credits for any month where the Customer: (a) terminates service from the Division at the customer premises; (b) vacates the customer premises; or (c) does not receive electric service from the Division.

~~(d)~~ (g) Standby Power Charge. Distributed generation installations of any kind totaling ten (10) kilowatts or less at a single premise shall not be subject to standby power charges. There shall be no standby power charge for wind or solar distributed generation of any size. All other distributed generation installations totaling more than ten (10) kilowatts at a single premises shall be subject to the standby rate contained in Section 523.12 multiplied by the rated capacity of the distributed generation.

~~(e)~~ (h) Liability. The City shall not be liable directly or indirectly for permitting or allowing the connection of customer’s distributed generation to the Division’s distribution system or for the acts or omissions of the customer generator that cause property damage, loss, injury, or death to any person.

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Section 2. That existing Section 523.25 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 1662-09, passed December 7, 2009, is repealed.

Section 3. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

GB:u05-11-26

FOR: Director Keane

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READ FIRST TIME on MAY 11, 2026 **REPORTS**
and referred to **DIRECTORS of Public Utilities, Finance, and Law;**
COMMITTEES on Utilities, Finance, Diversity, Equity and Inclusion

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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REPORT after second Reading

PASSAGE RECOMMENDED BY
COMMITTEE ON
UTILITIES

FILED WITH COMMITTEE

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FINANCE, DIVERSITY, EQUITY
and INCLUSION

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