MINA' TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 363 **-33 (COR)**

Introduced by: D.G. RODRIGUEZ, JR.
J.T. WON PAT, Ed.D
R.J. RESPICIO
T.A. MORRISON
N.B. UNDERWOOD
T.R. MUNA-BARNES
B.M. MCCREADIE

AN ACT TO *AMEND* § 8311, AND TO *ADD* A NEW § 8302.1, § 8311.1, § 8311.2, AND § 8311.3, ALL OF ARTICLE 3 CHAPTER 8, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED 4; TO *AMEND* § 8502, AND TO *ADD* A NEW § 8507, § 8507.1, § 8508, § 8509, § 8510, § 8511, § 8512, § 8513, § 8514, § 8515, § 8516, § 8517, § 8518, § 8519, AND § 8520, ALL OF ARTICLE 5 OF CHAPTER 8, DIVISION 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THE ELECTRIC UTILITY TO DEVELOP AND FILE A PROPOSED COMMUNITY-BASED RENEWABLE ENERGY TARIFF FOR VIRTUAL NET METERING SUBJECT TO PUBLIC UTILITIES COMMISSION APPROVAL, AND FOR RELATED PURPOSES; TO BE KNOWN AND CITED AS THE "COMMUNITY EQUAL ACCESS TO AFFORDABLE RENEWABLE ENERGY ACT OF 2016."

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Finding and Intent. The legislature finds that all Guam residents should be able to participate in and enjoy the economic, environmental, and societal benefits of renewable energy. Spurred by clean energy initiatives and increasingly affordable clean energy options, such as solar

photovoltaic systems, localized renewable energy generation technology has become increasingly attainable.

While residential solar energy use has grown dramatically across the island in recent years, many residents and businesses are currently unable to directly participate in renewable energy generation because of their location, building type, access to the electric utility grid, and other impediments. The community-based renewable energy program, which is also known as "virtual net metering" seeks to rectify this inequity by dramatically expanding the market for eligible renewable energy resources to include residential and business renters, occupants of residential and commercial buildings with shaded or improperly oriented roofs, and other groups who are unable to access the benefits of onsite clean energy generation.

The legislature finds that it is in the public interest to promote broader participation in self-generation by Guam residents and businesses through the development of community-based renewable energy facilities in which participants are entitled to generate electricity and receive credit for that electricity on their utility bills. *I Liheslatura* further finds that the existing net metering program requires revisions that address the unintended consequences of ratepayers who may have over produced renewable energy throughout a twelve month period and required to be reimbursed by GPA over and beyond the monthly credits it has received.

Community-based renewable energy creates new construction jobs, stimulates the economy, reduces emissions of greenhouse gases, promotes energy independence, and assists in meeting Guam's clean energy goals. Further, community-based renewable energy enables residents and businesses to save

money on their electricity bills, thereby providing additional funds for purchasing, investment, or other economic activity.

A significant value by way of savings is realized by the public utility, in that reduced costs are realized by the reduction and lower demand for public generation and the concurrent costs of facility development, maintenance and repairs. As has been demonstrated in numerous communities which have moved to renewable energy generation, these greatly reduced costs are being borne and shared at an ever increasing rate and percentage by the renewable energy utilities in partnership with the public utility.

The purpose of this Act is to establish the Guam community-based renewable energy program to make the benefits of renewable energy generation more accessible to a greater number of residents, including the government of Guam. The legislature finds that a community-based renewable energy tariff should, to the extent possible, be designed in an open and accessible process and should accommodate a variety of community-based renewable energy projects, models, and sizes. The legislature also finds that, in order to facilitate the timely implementation of community-based renewable energy, the electric utilities must collaborate with the Guam Energy Office, the Guam Economic Development Authority, the University of Guam's Center for Island Sustainability, and other stakeholders from the renewable energy industry and environmental advocacy community on the development of a community-based renewable energy tariff prior to filing the tariff with the Public Utilities Commission.

Section 2. A new § 8302.1 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"§ 8302.1. Definitions, as used in this Chapter:

(a) "Biofuels" means liquid or gaseous fuels produced from organic sources such as biomass crops, agricultural residues and oil crops, such as palm oil, canola oil, soybean oil, waste cooking oil, grease, and food wastes, animal residues and wastes, and sewage and landfill wastes.

(b) "Public Utilities Commission, "Commission" or "PUC" shall have the same meaning.

(c) "Cost-effective" means the ability to produce or purchase electric energy or firm capacity, or both, from renewable energy resources, or as the Commission otherwise determines to be just and reasonable consistent with the methodology set by the Public Utilities Commission.

(d) "Electric utility company" means a public utility as defined under section 269-1, for the production, conveyance, transmission, delivery, or furnishing of power.

(e) "Renewable electrical energy" means:

(1) Electrical energy generated using renewable energy as the source, and beginning January 1, 2017, includes grid-connected renewable energy generation; and

(2) Electrical energy savings brought about by:

(i) The use of renewable displacement or off-set technologies, including solar water heating, sea-water air-conditioning district cooling systems, solar air-conditioning, grid-connected renewable energy systems; or

(ii) The use of energy efficiency technologies, including heat pump water heating, ice storage, ratepayer-funded energy efficiency programs, and

use of rejected heat from co-generation and combined heat and power systems, excluding fossil-fueled qualifying facilities that sell electricity to electric utility companies and central station power projects.

(f) "Renewable energy" means energy generated or produced using the following sources:

(1) Wind;

(2) The sun;

(3) Falling water;

(4) Biogas, including landfill and sewage-based digester gas;

(5) Geothermal;

(6) Ocean water, currents, and waves, including ocean thermal energy conversion;

(7) Biomass, including biomass crops, agricultural and animal residues and wastes, and municipal solid waste and other solid waste;

(8) Biofuels; and

(9) Hydrogen produced from renewable energy sources.

(g) "Renewable portfolio standard" means the percentage of electrical energy sales that is represented by renewable electrical energy.

Section 3. § 8311 of Article 3 of Chapter 8, Division 1, Title 12, Guam Code Annotated, is *amended* to read:

"**§ 8311. Renewable Portfolio Standards.**

(a) Pending development and promulgation of an updated renewable portfolio standard reflective of existing conditions in present day Guam pursuant to this article, the Guam Power Authority *shall* establish and adhere to the following renewable portfolio standard of:

(1 ~~a~~) ten [~~five~~] per cent (10) [~~(5%)~~] of its net electricity sales by December 31, 2017 ~~2015~~;

(2 ~~b~~) fifteen [~~eight~~] per cent (15%) [~~(8%)~~] of its net electricity sales by December 31, 2022 ~~2020~~;

(3 ~~c~~) twenty [~~ten~~] per cent (20%) [~~(10%)~~] of its net electricity sales by December 31, 2027 ~~2025~~;

(4 ~~d~~) twenty-five [~~fifteen~~] per cent (15%) of its net electricity sales by December 31, 2032 ~~2030~~; and

(5 ~~e~~) thirty [~~twenty five~~] percent (30%) [~~(25%)~~] of its net electricity sales by December 31, 2037 ~~2035~~.

(b) The amount of renewable capacity *shall* [~~may~~] be subject to reasonable engineering and economic analysis to be carried out by the Guam Power Authority within six (6) months of the enactment of this Article.

(c) The Commission *shall* establish standards for the utility that prescribe what portion of the renewable portfolio standards shall be met by specific types of renewable energy resources; provided that:

(1) Where electrical energy is generated or displaced by a combination of renewable and nonrenewable means, the proportion attributable to the renewable means shall be credited as renewable energy; and

(2) Where fossil and renewable fuels are co-fired in the same generating unit, the unit shall be considered to generate renewable electrical energy (electricity) in direct proportion to the percentage of the total heat input value represented by the heat input value of the renewable fuels.

(3) Events or circumstances that are outside of an electric utility company's reasonable control may include, to the extent the event or circumstance could not be reasonably foreseen and ameliorated:

(i) Weather-related damage;

(ii) Natural disasters;

(iii) Mechanical or resource failure;

(iv) Failure of renewable electrical energy producers to meet contractual obligations to the electric utility;

(v) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of renewable electrical energy under contract to an electric utility company;

(vi) Inability to obtain permits or land use approvals for renewable electrical energy projects;

(vii) Inability to acquire sufficient cost-effective renewable electrical energy, provided, however, that the Guam Power Authority must reasonably demonstrate to the Commission that renewable electrical is not cost-effective, taking into consideration all applicable factors, including, among other factors, the levelized-cost-of-electricity such that costs can be compared on a similar basis, the length of the contract, and various other potentially impacting factors;

(viii) Inability to acquire sufficient renewable electrical energy to meet the renewable portfolio standard goals beyond 2030 in a manner that is beneficial to Guam's economy in relation to comparable fossil fuel resources;(?)

(ix) Substantial limitations, restrictions, or prohibitions on utility renewable electrical energy projects; and

(x) Other events and circumstances of a similar nature."

Section 4. A new § 8311.1 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8311.1. Achieving portfolio standard.**

(a) Guam's public electric utility and its electric utility affiliates, if any, may aggregate their renewable portfolios to achieve the renewable portfolio standard.

(b) If the public electric utility and its electric utility affiliates, if any, aggregate their renewable portfolios to achieve the renewable portfolio standard, the Commission may distribute, apportion, or allocate the costs and expenses of all or any portion of the respective renewable portfolios among the electric utility company, its electric utility affiliates, if any, and their respective ratepayers, as is reasonable under the circumstances.

(c) An electric utility may recover, through an automatic rate adjustment clause, the electric utility's revenue requirement resulting from the distribution, apportionment, or allocation of the costs and expenses of the renewable portfolios of the electric utility and its electric utility affiliates, if any.

(d) To provide for timely recovery of the revenue requirement under subsection (c), the Commission may establish a separate automatic rate adjustment clause, or approve the use of a previously approved automatic rate adjustment clause, without a rate case filing. The use of the automatic rate adjustment clause to recover the revenue requirement shall be allowed to continue until the revenue requirement is incorporated in rates in the respective electric utility company's rate case."

(e) The Commission *shall* review tariff both the renewable and non-renewable energy rate adjustments at the same time with equal due consideration."

Section 5. A new § 8311.2 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8311.2. Waivers, extensions, and incentives.**

Any electric utility company not meeting the renewable portfolio standard shall report to the Commission within ninety days following the goal dates established in § 8311, and provide an explanation for not meeting the renewable portfolio standard. The Commission shall have the option to either grant a waiver from the renewable portfolio standard or an extension for meeting the prescribed standard.

The Commission may provide incentives to encourage electric utility to exceed their renewable portfolio standards or to meet their renewable portfolio standards ahead of time, or both."

Section 6. A new § 8311.3 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8311.3. Renewable portfolio standards study.**

The Public Utilities Commission shall:

(1) By December 31, 2016, develop and implement a utility ratemaking structure, which may include performance-based ratemaking, to provide incentives that encourage an electric utility to use cost-effective renewable energy resources found in Guam to meet the renewable portfolio standards established in § 8311, while allowing for deviation from the

standards in the event that the standards cannot be met in a cost-effective manner or as a result of events or circumstances, such as described in § 8311(c)(3), beyond the control of the electric utility that could not have been reasonably anticipated or ameliorated;

(2) Gather, review, and analyze empirical data to:

(i) Determine the extent to which any proposed utility ratemaking structure would impact electric utility companies' profit margins; and

(ii) Ensure that the electric utility companies' opportunity to earn a fair rate of return is not diminished;

(3) Use funds from the utilities public benefits fee fund (§ 8519) to contract with the Center for Island Sustainability of the University of Guam to conduct independent studies to be reviewed by a panel of experts from entities such as the United States Department of Energy, National Renewable Energy Laboratory, Electric Power Research Institute, Guam's electric utility companies, environmental groups, and other similar institutions with the required expertise. These studies shall include findings and recommendations regarding:

(A) The capability of Guam's electric utility to achieve renewable portfolio standards in a cost-effective manner and shall assess factors such as:

(i) The impact on consumer rates;

(ii) Utility system reliability and stability;

(iii) Costs and availability of appropriate renewable energy resources and technologies, including the impact of renewable portfolio standards, if any, on the energy prices offered by renewable energy developers;

(iv) Permitting approvals;

(v) Effects on the economy;

(vi) Balance of trade, culture, community, environment, land, and water;

(vii) Climate change policies;

(viii) Demographics;

(ix) Cost of fossil fuel volatility; and

(x) Other factors deemed appropriate by the commission; and

(B) Projected renewable portfolio standards to be set five and ten years beyond the then current standards;

(4) Evaluate the renewable portfolio standards every five years, beginning on December 31, 2016, and may revise the standards based on the best information available at the time to determine if the standards established by § 8311 remain effective and achievable; and

(5) Report its findings and revisions to the renewable portfolio standards, based on its own studies and other information, to the legislature no later than twenty days before the convening of the regular session of 2014, and every five years thereafter."

Section 7. A new § 8311.4 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8311.4. Energy-efficiency portfolio standards.** (a) The public utilities commission shall establish energy-efficiency portfolio standards that will maximize cost-effective energy-efficiency programs and technologies.

(b) The energy-efficiency portfolio standards shall be designed to achieve mandated renewable energy portfolio standards of electricity use reductions island-wide by 2030; provided that the commission shall establish interim goals for electricity use reduction to be achieved by 2015, 2020, and 2025 and may also adjust the 2030 standard by rule or order to maximize cost-effective energy-efficiency programs and technologies.

(c) The commission may establish incentives and penalties based on performance in achieving the energy-efficiency portfolio standards by rule or order.

(d) The public utilities commission shall evaluate the energy-efficiency portfolio standard every five years, beginning in December 31, 2016, and may revise the standard, based on the best information available at the time, to determine if the energy-efficiency portfolio standard established by this section remains effective and achievable. The commission shall report its findings and revisions to the energy-efficiency portfolio standard, based on its own studies and other information, to the Speaker of *I Liheslaturan Guåhan* no later than February 28, 2017, and every five years thereafter.

(e) Beginning in 2017, electric energy savings brought about by the use of renewable displacement or off-set technologies, including solar water heating and sea-water air-conditioning district cooling systems, shall also count toward this standard."

Section 8. § 8502 of Article 5 of Chapter 8, Division 1, Title 12, Guam Code Annotated, is *amended* to read:

"§ 8502. "Definitions.

(a) 'Customer-generator' means a user of a net metering system.

(b) 'Eligible customer-generator' means a metered residential or commercial customer, including a government entity, of an electric utility who owns and operates a solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two or more of these facilities, that is:

(1) Located on the customer's premises;

(2) Operated in parallel with the utility's transmission and distribution facilities;

(3) In conformance with the utility's interconnection requirements; and

(4) Intended primarily to offset part or all of the customer's own electrical requirements.

(c ~~b~~) 'Net Metering' means measuring the difference between the electricity supplied by a utility and the electricity generated by a customer-generator which is fed back to the utility over the applicable billing period.

(d) "Net energy metering" means measuring the difference between the electricity supplied through the electric grid and the electricity generated by an eligible customer-generator and fed back to the electric grid over a monthly billing period; provided that:

(1) Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions;

(2) An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the customer-generator, at the expense of the electric utility, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the customer-generator, or to collect solar, wind turbine, biomass, or

hydroelectric energy generating system performance information for research purposes;

(3) If the existing electrical meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, the electric utility shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions;

(4) If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter; and

(5) An eligible customer-generator who already owns an existing solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two or more of these facilities, is eligible to receive net energy metering service in accordance with this Chapter.

(e ~~e~~) 'Net Metering System' means a facility for the production of electrical energy that:

(1) uses fuel cells, microturbines, wind, biomass, hydroelectric, solar energy or a hybrid system consisting of these facilities, as its primary source of fuel;

(2) has a generating capacity limited to the following, provided, however, that the rated capacity of the renewable energy generation does not exceed the customer-generator power service entrance capacity:

(A) not exceed fifty (50) ~~twenty five (25)~~ kilowatts for Guam Power Authority residential class customers; and

(B) this subsection *shall not* apply ~~not exceed one hundred (100) kilowatts~~ for Guam Power Authority non-residential class customers, for which there *shall* be no limit for renewable energy generation, except as provided pursuant to § 8508(b) of this Article;

(C) This Subsection is only applicable to solar energy systems located on, or co-located for the benefit of GDOE owned schools, GDOE leased schools, GDOE administrative, and GDOE ancillary buildings. Guam Power Authority public school customers under third party owned solar energy power systems may exceed net metering capacity limitation as long as there is no demonstrated adverse impact on Guam Power Authority's transmission and distribution system, and does not exceed eighty percent (80%) of GPA's current billing charges. Any contract issued under this item shall be under net metering as defined as a one to one exchange of energy as currently adopted by the GPUC. (3) is located on the customer-generator's single contiguous premises and does not serve loads outside the customer-generator's single contiguous premises;

(4) operates in parallel with the utility's transmission and distribution facilities; and

(5) is intended primarily to offset part or all of the customer generator's requirements for electricity.

(f ~~d~~) 'Utility' means a public utility that supplies electricity on Guam."

Section 9. A new § 8507 is *added* to Article 5 of Chapter 8, Title 12, Guam Code Annotated, to read:

"§ 8507. Community-based renewable energy tariffs.

(a) The utility, via the Consolidated Commission on Utilities pursuant to § 8507.1, shall file a proposed community-based renewable energy tariff or tariffs with the Public Utilities Commission. The Commission shall establish a

community-based renewable energy tariff or tariffs, pursuant to Article 3 and Article 5 of this Chapter 8; provided that the tariff or tariffs are found to be in the public interest.

(b) Any person or entity may own or operate an eligible community-based renewable energy project or projects provided that the person or entity complies with all applicable statutes, rules, tariffs, and regulations governing the ownership and interconnection of such project or projects.

(c) As used in this Chapter:

(1) "Community-based renewable energy tariff" means a tariff approved by the Public Utilities Commission that:

(A) Allows an electric utility customer to participate in an eligible renewable energy project that is providing electricity and electric grid services to the electric utility;

(B) Allows the electric utility to implement a billing arrangement to compensate those customers for the electricity and electric grid services provided to the electric utility;

(C) Is designed to provide fair compensation for electricity, electric grid services, and other benefits provided to or by the electric utility, participating ratepayers, and non-participating ratepayers; and

(D) To the extent possible, standardizes and streamlines the related interconnection processes for community-based renewable energy projects.

(2) "Eligible community-based renewable energy project" means a renewable energy project that:

(A) Is subject to a community-based renewable energy tariff; and

(B) Generates or produces energy as defined under Alternate Energy Plan for Guam Act of this Chapter."

Section 10. A new § 8507.1 is added to Article 5 of Chapter 8, Title 12, Guam Code Annotated, to read:

"**§ 8507.1. Renewable Energy Tariff Panel.**

(a) The Consolidated Commission on Utilities (CCU) *shall* within thirty (30) days of this Act, ensure the electric utility *shall* establish an expert panel to collaborate on the development of the tariff pursuant to § 8507, which shall include a representative of the executive Branch appointed by the *I Maga'lahen Guåhan*, who shall be a professional stakeholder from the renewable energy industry and/or environmental advocacy community-based renewable energy; a representative from the Center for Island Sustainability of the University of Guam appointed by the President of the University of Guam, a representative from the Guam Power Authority appointed by the Consolidated Commission on Utilities, to develop the proposed community-based renewable energy tariff pursuant to § 8507 of this Act. The representative appointed by the Consolidated Commission on Utilities shall chair the panel.

(b) The panel shall submit the proposed community-based renewable energy tariff to the Consolidated Commission on Utilities within sixty (60) of the panel's establishment for its final review and adoption. The Consolidated Commission on Utilities shall within thirty (30) days of its adoption of the Community-based renewable energy tariff transmit to the Public Utilities Commission for its approval.

(c) The panel may retain an expert consultant with a demonstrated experience and expertise in community-based renewable energy and tariff development."

Section 11. A new § 8508 is *added* to Article 5 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8508. Maximum capacity of eligible customer-generator.**

(a) The eligible customer-generator shall have a capacity of not more than thirty kilowatts; provided that the public utilities commission may increase the maximum allowable capacity that eligible customer-generators may have to an amount not to exceed fifty kilowatts by rule or order.

(b) The shall be no set limit, except as otherwise provided pursuant to this article at the discretion of the utility and the commission, for commercial installations, and further provided, however, it will be subject to a feasibility study at the cost of the eligible customer generator on the impact to the utility infrastructure and approved by the utility's engineering staff if such infrastructure can handle the requested exportation of energy by the renewable energy generator."

Section 12. A new § 8509 is *added* to Article 5 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8509. Standard contract or tariff; rate structure.**

(a) Every electric utility shall develop a standard contract or tariff providing for community-based renewable energy net metering and shall make this contract

available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity produced by eligible customer-generators equals, at a minimum, five percent (5%) of the electric utility's system peak demand; provided that the public utilities commission may modify, by rule or order, the total rated generating capacity produced by eligible customer-generators; provided further that the public utilities commission shall ensure that a percentage of the total rated generating capacity produced by eligible customer-generators shall be reserved for electricity produced by eligible residential or small commercial customer-generators. The public utilities commission may define, by rule or order, the maximum capacity for eligible residential or small commercial customer-generators. Notwithstanding the generating capacity requirements of this subsection, the public utilities commission may evaluate, on a case-by-case basis, the applicability of the generating capacity requirements of this subsection and, in its discretion, may exempt a utility grid system from the generating capacity requirements.

(b) Each net energy metering contract or tariff shall be identical, with respect to rate structure, to the contract or tariff to which the same customer would be assigned if the customer was not an eligible customer-generator. The charges for all retail rate components for eligible customer-generators shall be based exclusively on the eligible customer-generator's net kilowatt-hour consumption over a monthly billing period. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible customer-generator's costs beyond those of other customers in the rate class to which the eligible customer-generator would otherwise be assigned are contrary to the intent of this section, and shall not form a part of net energy metering contracts or tariffs.

(c) Solar Energy Generators on the existing net metering program will be reimbursed throughout the year in an amount not to exceed the utility's current cost of generation rate, less the utility's cost of distribution as calculated on a pro-rata basis. At the end of the calendar year, any unused credits will be credited under the new virtual net-metering rule and customer-generator will be compensated for this energy at the new negotiated rate, provided, however, no retroactive compensation nor retroactive payment adjustment shall be made to the Generator or the Utility for the previous period.

(d) The Public Utilities Commission may amend the rate structure or standard contract or tariff by rule or order."

Section 13. A new § 8510 is *added* to Article 5 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8510. Generating capacity.**

On an annual basis, beginning in 2017, every electric utility shall make available to the Commission information on the total rated generating capacity produced by eligible customer-generators that are customers of that utility in the utility's service area. The Commission shall develop a process for making the information required by this section available to electric utilities, and for using that information to determine when, pursuant to § 8311.8, an electric utility is not obligated to provide net energy metering to additional customer-generators in its service area."

Section 14. A new § 8511 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8511. Additional customer-generators.**

Notwithstanding § 8311.6, an electric utility is not obligated to provide net energy metering to additional customer-generators in its service area when the combined total peak generating capacity of all eligible customer-generators served by all the electric utilities in that service area furnishing net energy metering to eligible customer-generators equals 10% per cent of the system peak demand of those electric utilities; provided that the public utilities commission may increase, by rule or order, the allowable percentage of the electric utility's system peak demand produced from eligible customer-generators in the electric utility's service area, whereupon the electric utility will be obligated to provide net energy metering to additional eligible customer-generators in that service area up to the increased percentage amount."

Section 15. A new § 8512 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§8512. Calculation.**

The net energy metering calculation shall be made by measuring the difference between the electricity supplied to the eligible customer-generator and:

(1) The electricity generated by the eligible customer-generator and fed back to the electric grid over a monthly billing period; and

(2) Any unused credits for excess electricity from the eligible customer-generator carried over from previous months since the last twelve-month reconciliation period."

Section 16. A new § 8513 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8513. Billing periods; twelve-month reconciliation.**

(a) Billing of net energy metering customers shall be on a monthly basis; provided that the last monthly bill for each twelve-month period shall reconcile for that twelve-month period the net electricity provided by the electric utility with:

(1) The electricity generated by the eligible customer-generator and fed back to the electric grid over the monthly billing period; and

(2) Any unused credits for excess electricity from the eligible customer-generator carried over from prior months since the last twelve-month reconciliation period.

(b) Credits for excess electricity from the eligible customer-generator that remain unused after each twelve-month reconciliation period may not be carried over to the next twelve-month period."

Section 17. A new § 8514 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8514. Net electricity consumers.**

At the end of each monthly billing period, where the electricity supplied during the period by the electric utility exceeds:

(1) The electricity generated by the eligible customer-generator during that same period; and

(2) Any unused credits for excess electricity from the eligible customer-generator carried over from prior months since the last twelve-

month reconciliation period, the eligible customer-generator is a net electricity consumer and the electric utility shall be owed compensation for the eligible customer-generator's net kilowatt-hour consumption over that same period. The compensation owed for the eligible customer-generator's net monthly kilowatt-hour consumption shall be calculated at the retail rate of the rate class the customer is normally assigned to."

Section 18. A new § 8515 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8515. Net electricity producers; excess electricity credits and credit carry over.**

At the end of each monthly billing period, where the electricity generated by the eligible customer-generator during the month exceeds the electricity supplied by the electric utility during that same period, the eligible customer-generator is a net electricity producer and the electric utility shall retain any excess kilowatt-hours generated during the prior monthly billing period; provided that the excess electricity generated by the customer-generator, if any, in each monthly billing period shall be carried over to the next month as a monetary value to the credit of the eligible customer-generator, which credit may accumulate and be used to offset the compensation owed the electric utility for the eligible customer-generator's net kilowatt-hour consumption for succeeding months within each twelve-month period; provided further that the electric utility shall reconcile the eligible customer-generator's electricity production and consumption for each twelve-month period as set forth in § 8311.10. The eligible customer-generator shall not be owed any compensation for excess kilowatt-hours unless the electric utility

enters into a purchase agreement with the eligible customer-generator for those excess kilowatt-hours."

Section 19. A new § 8516 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8516. Net electricity consumption or production information.**

The electric utility shall provide every eligible customer-generator with net electricity consumption or production information with each regular monthly bill, which shall include:

(1) The current monetary balance owed the electric utility for net electricity consumed;

(2) The net electricity produced since the end of the last monthly billing period; and

(3) An accounting of the credits for excess electricity produced by the eligible customer-generator since the last twelve-month reconciliation period that shows credits applied to the monthly billing period and the balance of unused credits, if any."

Section 20. A new § 8517 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8517. Termination by eligible customer-generators.**

If an eligible customer-generator terminates the customer relationship with the electric utility, the electric utility shall reconcile the eligible customer-generator's consumption and production of electricity, including any unused credits

for excess electricity from the eligible customer-generator carried over from prior months, for the period following the last twelve-month reconciliation period to the date of termination of the relationship, according to the requirements set forth in this part."

Section 21. A new § 8518 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8518. Safety and performance standards.**

(a) A solar, wind turbine, biomass, or hydroelectric energy generating system, or a hybrid system consisting of two or more of these facilities, used by an eligible customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as the Underwriters Laboratories and, where applicable, rules of the public utilities commission regarding safety and reliability.

(b) For systems of ten kilowatts or less, an eligible customer-generator whose solar, wind turbine, biomass, or hydroelectric energy generating system, or whose hybrid system consisting of two or more of these facilities, meets the standards and rules under subsection (a) shall not be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance.

(c) For eligible customer-generator systems of greater than ten kilowatts, the commission, either through decision and order, by tariff adoption, or by rule, shall:

(1) Set forth safety, performance, and reliability standards and requirements; and

(2) Establish the qualifications for exemption from a requirement to install additional controls, perform or pay for additional tests, or purchase additional liability insurance."

Section 22. A new § 8519 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8519. Public Benefits Fee authorization.**

(a) The public utilities commission, by order or rule, *may* require that all or a portion of the moneys collected by Guam's electric utilities from its ratepayers through a demand-side management surcharge be transferred to a third-party administrator contracted by the public utilities commission. The moneys transferred shall be known as the public benefits fee.

(b) The public benefits fee shall be used to support clean energy technology, demand response technology, and energy use reduction, and demand-side management infrastructure, programs, and services, subject to the review and approval of the public utilities commission. These moneys shall not be available to meet any current or past general obligations of the government; provided that the government may participate in any clean energy technology, demand response technology, or energy use reduction, and demand-side management infrastructure, programs, and services on the same basis as any other electric consumer.

For the purpose of this subsection, "clean energy technology" means any commercially available technology that enables Guam to meet the renewable portfolio standards, established pursuant to § 8311, or the energy-efficiency

portfolio standards, established pursuant to § 8311.4, and approved by the public utilities commission by rule or order.

(c) Revolving Fund. There is created a special fund, to be known as the "Public Benefits Fee" Revolving Fund (the Fund), and which shall be under the administration of the Public Utilities Commission, into which all money payable pursuant to the public benefits fee shall be deposited. The Fund shall be used to defray the cost of authorized activities pursuant to this Article, as specifically authorized by the Commission.

(d) Nothing in this section shall create or be construed to cause the public benefits fee to be considered available funds subject to appropriation by *I Liheslaturan Guåhan* or be required to be deposited into the treasury of Guam."

Section 23. A new § 8520 is *added* to Article 3 of Chapter 8, Division 1 Title 12, Guam Code Annotated, to read:

"**§ 8520. Grid access; procedures for interconnection; dispute resolution.**

(a) Each user, owner, or operator of the island electric system, or any other person, business, or entity seeking to make an interconnection on the island electric system shall do so in accordance with procedures to be established by the commission by rule or order.

(b) The commission shall have the authority to make final determinations regarding any dispute between any user, owner, or operator of the island electric system, or any other person, business, or entity connecting to the island electric system, concerning either an existing interconnection on the island electric system or an interconnection to the island electric system created under the processes established by the commission under this section."

Section 24. Severability. If any provision of this law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this law which can be given effect without the invalid provisions or application, and to this end the provisions of this law are severable.