

I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN
2007 (FIRST) REGULAR SESSION

Bill No. 166 (EC)

Introduced by:

v.c. pangelinan



AN ACT TO PROMOTE THE DEVELOPMENT OF
RENEWABLE ENERGY; REQUIRE ELECTRIC
UTILITY COMPANIES TO ESTABLISH RENEWABLE
PORTFOLIO STANDARD GOALS AND REQUESTS
THE PUBLIC UTILITY COMMISSION TO STUDY
THE FEASIBILITY OF IMPLEMENTING A RATE
STRUCTURE TO ENCOURAGE THE USE OF
RENEWABLE ENERGY.

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1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan* finds
3 that the Guam Power Authority is totally dependent on oil for the production
4 of electricity for consumers. Such dependence has resulted in rate increases in
5 the form of increased fuel surcharges. The Levelized Energy Adjustment
6 Clause, a provision in law, initially set rate adjustments on a monthly basis.
7 Subsequently, the Guam Power Authority requested to change the cycle to a
8 calendar year and reviewed every six months. The fact that oil is the sole
9 source of our power production does not give GPA any opportunity to
10 diversify and hedge cost savings in the fuel component of its cost structure.

11 The diversification of fuel type used for production can help offset costs
12 and may be achieved by implementing technology which uses renewable
13 energy resources already found on Guam such as wind, solar, ocean thermal,

1 wave, and biomass resources in new production facilities.

2 It is the intent of *I Liheslatura* to require the development of renewable
3 energy production and decrease our total reliance on oil for electricity
4 production.

5 **Section 2.** A new Section 8311 is hereby added to 12GCA Chapter 8,
6 Article 3 to read as follows:

7 “**§8311. Renewable portfolio standards.** Each electric utility company that
8 sells electricity for consumption on Guam shall establish a renewables
9 portfolio standard goal of:

- 10 (1) Five per cent of its net electricity sales by December 31, 2015;
- 11 (2) Eight per cent of its net electricity sales by December 31, 2020;
- 12 (3) Ten per cent of its net electricity sales by December 31, 2025;
- 13 (4) Fifteen per cent of its net electricity sales by December 31, 2030;
- 14 (5) Twenty Five percent of its net electricity sales by December 31, 2035.”

15 **Section 3. New Construction of Electrical Power Generation Plants.**

16 Any permit or authorization issued to any organization or entity for the
17 construction of a base load electrical generation plant shall require that Ten
18 percent of the total capacity of the new facility shall be from alternative
19 energy sources and as a condition of its permit the production from
20 alternative energy sources shall be brought on line at the same time as the
21 production from the base load facility.

22 **Section 4.** A new Section 12028 is hereby added to 12GCA Chapter 12,
23 Article 1 to read as follows:

24 “**§12028. Rate structure implementation; renewable portfolio standard**

1 **incentives; report.** The Public Utilities Commission shall:

2 (1) Make findings and recommendations for the implementation of a
3 utility rate structure designed to reward and encourage consumers
4 to use renewable energy sources found on Guam;

5 (2) Gather, review, and analyze empirical data to determine the extent
6 that this proposed utility rate structure would impact electric utility
7 companies' profit margins, and to ensure that these profit margins
8 do not decrease for a period of five years following the
9 implementation of this rate structure;

10 (3) Make findings and recommendations concerning the types of
11 incentives that the Public Utilities Commission could offer to
12 electric utility companies in meeting the renewable portfolio
13 standards established in Section 8311 12GCA Chapter 8, Article 3;
14 and

15 (4) Report findings and recommendations, including proposed
16 legislation, to *I Liheslatura* no later than Two Hundred and Sixty
17 Days after enactment."

18 **Section 5. Severability.** If any of the provisions of this Act or the
19 application thereof to any person or circumstance is held invalid, such
20 invalidity shall not affect any other provision or application of this Act which
21 can be given effect without the invalid provision or application, and to this
22 end the provisions of this Act are severable.