



Senator Thomas C. Ada

Chairman - Committee on Public Safety, Infrastructure & Maritime Transportation
I Mina'trentai Dos Na Liheslaturan Guåhan • 32nd Guam Legislature

December 10, 2014

Speaker Judith T. Won Pat, Ed.D.
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules *[Signature]*

RE: Committee Report on Bill No. 326-32 (COR) *As Substituted.

Dear Speaker Won Pat:

Transmitted herewith is the Committee Report on Bill No. 326-32 (COR), As Substituted "An act to Amend §8502 Chapter 8 Title 12 Guam Code Annotated Relative to Increasing the Cap on Customer-Generator Power Service Entrance Capacity for Non-Residential Class Customers."

Committee votes are as follows:

- 3 TO DO PASS
- TO NOT PASS
- 2 TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE IN INACTIVE FILE

Si Yu'os Ma'åse',
[Signature]
Thomas C. Ada

2014 DEC 12 AM 9:54 ap

**COMMITTEE REPORT
ON**


Bill No. 326-32 (COR)
As Substituted

**“An act to Amend §8502 Chapter 8
Title 12 Guam Code Annotated
Relative to Increasing the Cap on
Customer-Generator Power Service
Entrance Capacity for Non-
Residential Class Customers.”**

December 10, 2014

MEMORANDUM

To: **All Members**
Committee on Public Safety, Infrastructure and Maritime Transportation

From: **Senator Thomas C. Ada** 
Committee Chairperson

Subject: **Committee Report on Bill No. 326-32 (COR) *As Substituted**

Transmitted herewith for your consideration is the Committee Report on Bill No. 326-32 (COR), As Substituted "An act to Amend §8502 Chapter 8 Title 12 Guam Code Annotated Relative to Increasing the Cap on Customer-Generator Power Service Entrance Capacity for Non-Residential Class Customers."





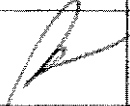
This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 326-32 (COR), As Introduced
- Copy of Bill No. 326-32 (COR), As Substituted
- Public Hearing Sign-in Sheet
- Copy of Written Testimonies
- Copy of Fiscal Note/Waiver
- COR Referral of Bill No. 326-32 (COR)
- Notices of Public Hearing
- Public Hearing Agenda

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

COMMITTEE VOTE SHEET

Bill No. 326-32 (COR), As Substituted, "An act to Amend §8502 Chapter 8 Title 12 Guam Code Annotated Relative to Increasing the Cap on Customer-Generator Power Service Entrance Capacity for Non-Residential Class Customers."

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
SENATOR THOMAS C. ADA Chairperson		✓				
SENATOR RORY J. RESPICIO Vice Chairperson						
VICE SPEAKER BENJAMIN J.F. CRUZ Member						
SENATOR FRANK B. AGUON, JR. Member				✓		
SENATOR MICHAEL F.Q. SAN NICOLAS Member		✓				
SENATOR ALINE A. YAMASHITA, PH.D. Minority Member				✓ 12.11.14		
SENATOR V. ANTHONY ADA Minority Member						
SENATOR BRANT McCREADIE Minority Member		✓				

COMMITTEE REPORT DIGEST

I. OVERVIEW

Bill 326-32 (COR) was introduced on April 29, 2014 by Senator Vicente C. Pangelinan and was subsequently referred by the Committee on Rules to the Committee on Public Safety, Infrastructure and Maritime Transportation on April 30, 2014.

The Committee on Public Safety, Infrastructure and Maritime Transportation convened a public hearing on Bill 326-32 (COR) on July 23, 2014 at 4:00 pm in *I Liheslatura's* Public Hearing Room to receive public testimony on the measure.

Public Notice Requirements

Public Hearing notices were disseminated via email to all senators and all main media broadcasting outlets on July 15, 2014 (5-Day Notice) and again on July 18, 2014 (48-Hour Notice).

Senators Present

Vice Speaker Benjamin J.F. Cruz *Committee Member*
Senator Thomas C. Ada, *Committee Chairperson*
Senator Michael F.Q. San Nicolas *Committee Member*

The public hearing was Called-to-Order at 4:01 pm.

II. SUMMARY OF TESTIMONY AND DISCUSSION

Chairman Ada: states that he wants to call the individuals in the order that they signed up, and to start with Mr. Servino, then Mr. Ben Torres, followed by Mr. Hagen, and then closing it out would be Mr. Kin Flores and Mr. Simon Sanchez.

List of those submitting Testimony, Oral and/or Written:

Mr. Jose S. Servino

President/CEO, Advanced Engineering Consulting Co.

Oral and written Testimony (see attachment)

Mr. Ben T. Torres

Member, Guam Renewable Energy Association (GREA)

Written testimony only (see attachment)

Mr. William H. Hagen

Vice President, Guam Renewable Energy Association (GREA)

Oral and Written Testimony (see attachment)

Mr. Joaquin (Kin) C. Flores

General Manager, P.E., Guam Power Authority (GPA)

Oral and Written Testimony (see attachment)

Mr. Simon A. Sanchez

Chairman, Guam Consolidated Commission on Utilities (GCCU)

Oral Testimony only

Mr. Joephet R. Alcantara

Administrative Law Judge, Guam Public Utilities Commission (GPUC)

Written testimony only (see attachment), submitting testimony on behalf of Mr. Jeffrey C. Johnson, Chairman, Guam Public Utilities Commission (GPUC), as signed for by Lourdes R. Palomo, Administrator, GPUC

Chairman Ada: calls on Mr. Jose Servino to present his testimony.

Mr. Jose Servino: introduces himself and thanks the Senators for the opportunity to submit testimony on the proposed bill; he then reads from his prepared testimony (*see testimony attachment*); he states that he supports Bill 326-32 (COR), and concludes his testimony by saying that the bill “will also improve the economy by expanding the renewable energy business and creating more employment”.

Chairman Ada: thanks Mr. Servino, then addresses Mr. Ben Torres, asking him if he is only submitting written testimony or if he wishes to give oral testimony, to which Mr. Torres replies in the negative; the Senator then confirms that the committee is taking note of the fact that Mr. Torres has submitted written testimony only (*see attached testimony*) and that he has declined to give oral testimony.

Chairman Ada: invites Mr. William Hagen to provide testimony.

Mr. William Hagen: greets the senators then states that he has previously submitted written public testimony and that it therefore wasn't necessary for him to read it out again as it was already in the record (*see testimony attachment*); Mr. Hagen says that the introduced bill was a good bill as originally introduced by Sen. Ben Pangelinan in 2004, but that in 2010 the Senator “recognized that the limit of 25kW was too small” and that he then introduced legislation “to raise the limit to 125kW for the two classes, and earlier this year he apparently saw that there was a need to fine-tune or tweak that number” and to raise the upper limit from 100kW to 250kW; Mr. Hagen comments that he doesn't think that the bill would “be a significant impact to GPA, although they tend to think that it's going to destroy their economy”; Mr. Hagen says “it's not a big number” and recalls from a prior public presentation two weeks before in which Commissioner Duenas participated and commented, where he (Duenas) spoke about some of the challenges being faced by GPA, and that he spoke about conservation and energy efficiency, but that “he did not speak about net metering as being an impact to GPA's revenue”; he continues to say that they (GPA) of course have a different opinion to which they are entitled to, but he thinks “it's a good bill”; he remarks that “it's not going to affect a lot of customers of ours, and it's not going to affect a lot of things in the industry, and we'll go forward and we'll end up doing a thousand net metering customers, a very small number will probably be in the 250 range”; Mr. Hagen then concludes by saying “that's all I have” and asks if there are any questions from the panel.

Chairman Ada: thanks him and replies, “I don’t have any questions”; the Chairman then calls on the GPA, Mr. Flores, to address the panel.

Mr. Joaquin Flores: thanks the Senator then begins by saying that he wants to put everything into context and comments that GPA isn’t “worried about the sky is falling and our economy crashing – I think we’re worried about, and I’ve always testified that there’s a subsidy in policy that is being transferred to folks or ratepayers that do not enjoy the benefits of net metering, and the purpose of our testimony is really to have those that are preparing and developing power, either through the PUC or the Legislature, understand what the impacts are – for our purposes, we condone and we promote the use of renewables, so that it’s fairly and equitably shared with the benefits for all ratepayers – that’s my position, Senator Ada, to protect”; he then states that “I see that nearly 11,000 customers in the residential class from our records, our demographics, are life-line consumers of power – it indicates to me that those customers, nearly a fourth of our revenue base”, may find it difficult “to implement and achieve the benefits of net metering”; he repeats that “within the context, is understanding the impact – we’re not against solar, in fact we’re the largest solar developer in the entire region with the 35,000kW solar facility at Dandan, that will help save power for nearly 3,000 homes that comes this December”; he moves on to present more statistics in regard to upcoming projects, including a wind/solar facility in 2016 for 1,000 customers and another bid closing in about a month that will save power for 40mW of renewable energy for another 4,000 homes; “the purpose of this testimony is to kind of show you that from my position, I’d like to protect all ratepayers so that they’re not adversely affected, and that it doesn’t cause a death spiral with higher and higher prices that affect them and not net metering consumers”; he continues to say that “based on actual demographics from the last five years or so of net metering, we only have 144 customers that have signed up for these agreements, and less than 35 customers have signed up for the 100kW limit”, and states that though the incentives for 100kW net metering provisions are there, with nearly 500 customers who are exceeding the 100kW limit – that only 34 of those have signed up.

Mr. Joaquin Flores: at this point commences to read directly from his submitted testimony (*see testimony attachment*); he subsequently speaks spontaneously, switching from his written testimony to extemporize on other topics related to his testimony, then returning to his submitted testimony; after a detailed and complex presentation touching on highly technical matters and statistics, he then concludes his testimony and thanks the Senators.

Chairman Ada: thanks Mr. Joaquin Flores for his testimony, then invites Mr. Simon Sanchez to provide his oral testimony.

Mr. Simon Sanchez: thanks the Senators then begins his strictly oral testimony (*no written testimony submitted*) by stating that “Everyone in this room is trying to grow the use of renewable energy – I don’t question anybody, anybody’s motives or ambitions for Guam, that we all want to get away from the use of oil for 100% of our needs, and renewable energy is providing the best alternative for that. The Federal government, and by extension because the tax code is a mirror image on Guam – the Government of Guam has already said we will subsidize buyers of renewable energy; we’ll allow them to take tax credits, one of your favorite topics, allow them to take tax credits, against what they pay the General Fund, and we’ve got

140 Guamanian customers that have taken advantage of that; the General Fund has subsidized them, I don't know what the number is, but whatever the number is, it was a reflection that our country and our island said we need to grow renewables, we don't want to just rely on oil. That train is going in the right direction. GPA and the community has now tried to implement more renewables, and the difference really is in approach – take the Dandan Project, that's going to save energy for 3,000 homes, on an annual basis, right, the equivalent in energy of 3,000 homes. The 40MW we've just commissioned will save another 3,000 to 4,000 homes; the Navy wants to do something, GCC wants to do something with us. When you add up all these annual savings, what it really saves GPA and its ratepayers is fuel. So let's say for the sake of discussion - the 3,000 here, the 4,000 there, let's say that if we were to successfully implement all these projects: Dandan is going to open, the 40MW we're bidding out now, the Navy and GCC, and hopefully if we can get together, the DOE bill, which also has the potential to help DOE – all of those have the opportunity to save fuel. And that's what Kin means when he says that he applauds the saving of fuel – fuel is the biggest expense we have. The PDN ran a story last December, which said that 90% of the rate increases in the last 10 years have been because of fuel. It's not because of base rates, it's not because of the cost of the generators, or the cost of O&M, or the cost of transmission or distribution – it's been oil. So every policy that we implement that reduces the use of oil is a good policy. The challenge for all of us is what's the best way, to manage this development and grow it, without creating an unintended consequence on other people. With NRG, we only pay them our avoided cost, the LEAC, the cost of our fuel – 18 to 19 cents/kWh; it inches up over time over the 25 years, but it's designed to be a hedge against oil, because who knows what oil would do over 20 to 25 years – recent history says it isn't going to go this way (down), it's going to go that way (up). So we're willing to pay for the avoided cost of fuel to NRG, and they have found a way, because it's a big project, that they can make a nickel, still create solar energy during daylight hours, and enough solar energy to save 3,000 homes' worth of fuel. So when that thing is wholly functioning next year, instead of buying this much fuel, we buy a little less fuel, because we saved the equivalent of fuel for 3,000 homes. I forget the numbers – it's been in our other testimonies, but we'll save a little money on fuel, and we're willing to pay NRG for those savings, and we share those savings with all customers. Net metering takes a different approach – it says there may be individuals and there are developers who can work together, and create a renewable solution for them, that will allow that customer to save their energy costs, even drive it all the way down to zero. We know of some of our NEM customers who have been able to drive their bill all the way down to zero – they provided enough energy to GPA in the recent month, equal to the amount of energy they consumed. And under net metering they get a 1-for-1, 100% credit – they get to roll their meter back all the way to zero. That's great, that's what it's supposed to do, that's what we want it to do. And most of the country, I think maybe all of the country, have said, hey, we should promote net metering, we like this relationship – here's another way to save the use of fuel. But then there's been a huge debate, healthy debate I think, as this net metering policy has matured in the mainland, and now here on Guam, about a recognition that while it saves energy for that particular consumer, it returns a reasonable return to a solar developer, like our friends in GREA – they make a nickel as they should, they should get their cost back with a fair profit, and they save money for that individual customer, but what happens at night, when the sun goes down? The generators must give some power back to those NEM customers; it goes on transmission lines, it carries that energy to their houses, it goes through distribution lines, it goes to a transformer,

and it returns the power that they give us during the day; it returns the power to them and that's great, but the challenge with net metering now as it matures, is that the customer and by extension that developer – they don't pay for those costs of generating the energy at night and the transmission and distribution, and all the related costs: the labor, maintaining all those assets, and the debt service – all of those costs are not charged to a net metering customer today. And that's because we wanted to grow the industry. It's growing faster outside of Guam than it is on Guam, but we're hopeful that with the tax incentives expiring in 2016, there'll be more uptake – there're more providers in GREA, there's more knowledge about it – we expect to see more customers doing net metering and taking advantage of the existing law, and that part's OK and we want to see that happening. But the question that's emerging for all of us, is our concern that when this bill says now let's take it up to 250kW, it's not so much to me that there are customers that could successfully deploy renewable energy at larger capacities: 150kW, 200kW, 250kW, you know Kin's done some of the numbers – we don't know that everyone that could do it will do it. These numbers give you some of an outside range: what would happen if they all did it, what would happen if less did it – it gives you a range of between a \$1M and \$20M of annual revenue impact. And all we're saying is we would love to get some more definition so we're not guessing as to what that would be. But in this debate that's gone on, what's emerging is a very healthy argument – it's called the value of solar; we can say it's the value of renewables, it's clearly a value to renewable energy. Clearly, in the fuel savings there's no disagreement between us and renewable energy providers. It's on those fixed costs – what happens when the wind doesn't blow, and the sun doesn't shine, and the sun doesn't shine every day for 10-12 hours a day. So a NEM customer, a solar NEM customer in particular, gets power at night from those same assets, that before all ratepayers paid for, but now under net metering, the original law and the PUC ruling, they're saying that at least for the first 1,000 customers you can use all those assets for free, because we're trying to grow, grow your industry. And OK that's a fair trade, we want it to grow. The challenge is should the growth be unlimited? This bill, by raising the capacity without setting a cap, creates the potential for rapid expansion of renewable energy utilization by individuals, but it would cost those ratepayers who can't access it, for whatever reasons, like all the low income families who for whatever reasons just don't have the financial resources or as Kin has pointed out, for whatever reason, we're nowhere near 1,000 customers yet on net metering but we're hoping that with the tax credits wiping out, you better do it sooner or you're going to lose it. And even – think about the tax credits; even though we wanted to promote the growth of renewable energy, even the tax credits are limited. They didn't say we'll give you these subsidies forever – they said that by 2016 they go away. So the whole idea of subsidies is: you want to nurture that child, into a more mature state, and let that industry, in this case the renewable industry, grow as it will. But you want to strike that balance – there's a three-legged stool here: there's the customer that wants to use renewable energy as an individual, at a business or at home, there's the developer who can provide that service, and should get a piece of that savings, so the customer can save and the developer can save, and that's how they survive and they create the jobs, that have benefits for the community, but our concern is what we call the stranded cost, the cost of the things that at night still have to be used by a net metering customer, to get their power back. If we put it another way, if you were to ask anybody that knows anything about renewables, that if GPA didn't exist – could the renewables industries today charge the same prices that they're charging with the tax subsidies – could they charge the same price as without GPA existing? And the answer would be no,

because there's no way to store solar energy at night. You need the generators to turn back on, even when solar energy is giving us energy right now, maybe not now – here's a good example, it was giving us energy this morning more than it's giving us energy right now, because it's cloudy and rainy. Our generators throttled back, it saved fuel, it didn't eliminate the generator, it saved us fuel, that we give back to our renewable partners; there's no debate on that, but now our generators have to kick back in, sending power down the transmission line, the distribution line, the transformers to our net metering customers – to all of our customers. And right now, before net metering, all our customers paid for those assets and their related costs. Under net metering law, we've created an incentive to grow it, which says, you don't have to pay those costs; we're saying for now that it's 25kW, 100kW, and we're comfortable saying it's 250kW, but 2 things have happened in the past year that of note, that I think you want to think about, that maybe will help us to strike a compromise here. This debate's raging, everywhere, the value of solar, the value of the grid, and we're all watching what the Arizona PUC would do, and if you ever want to read an amusing story, you'll love it because you campaign for your seat. The battle in Arizona had full-page ads and blogs and interest groups accusing each other; we could've put governor X and governor Y, and it would've the same kind of aggressive posturing – there should be no charge for net metering, and the utilities saying no, you've got to charge something – and the Arizona PUC finally ruled, and they ruled that you have to charge something for those assets that are used by renewable energy customers. Now, they didn't agree with the utility how much to charge, but they also didn't agree with the NEM advocates that were saying that you didn't have to pay anything, that it should be unlimited. They struck a balance – they recognized that until technology allows renewable energy to be 100% independent of a grid like GPA's, or the generation of GPA, until they can make all the energy they need all the time, like GPA does, there is a cost imposed on the system that right now they don't pay for but everyone else does pay for, and as Kin's testimony points out, is, if it's left to be a run-away train and becomes really successful, maybe the rate's impact is \$20M, maybe only \$1M – right now it's only \$400K a year; that's OK, GPA can live with that. We're looking at ways to cut costs; we're going to retire some generation sooner than we had planned to save money. That's our job, we need to do that no matter what – we can handle that but what we're here to tell you is we can handle \$400K; we think we can handle \$3M, and we're willing to commit to \$3M, in annual revenue, to subsidize the growth of the renewable industry. What we're nervous about is beyond \$3M, you start talking about an impact on the rest of the ratepayer community that isn't a NEM customer for whatever reason, they're just not there, they've got to pick up the cost for the entire system while some customers get to use the system and not have to contribute to that cost. And that's not really fair in our view – to the rest of the ratepayers, and that's where it's a 3-legged stool: savings for the individual NEM customer, savings or reasonable profit for the developer, but some recognition, like Arizona PUC finally ruled, that there is a cost, at night, when the sun doesn't shine, or the cloudy day when you're not making as much solar energy – there is a cost to get you the same amount of energy, the NEM customer, to get them the same amount of energy that they would have otherwise consumed, whether from their resource or our resource. In Kauai, they did what we're alluding to here, and we would like you to consider. They took a total kWh cap and they said we'll do a 100% NEM until that cap is hit. But once you hit that cap, that's it. So, it's kind of what Kin is alluding to, what is the subsidy that we in the community are willing to contribute to the growth of renewable energy? Right now you have no say on the General Fund subsidy. It's the Federal tax code, the credit will

last until 2016 – you don't know how many – what if 1,000 customers grab renewable energy in the next 18-24 months before the tax credits expire? Have you factored in at \$20,000-30,000 a credit? I don't know if those are the right numbers but they're in that magnitude – take \$20,000-30,000 times a thousand, that's going to come out of your budget in the next 24 months, if 1,000 customers take off. What if you pass this law and it's now 250kW and it's unlimited reimbursement, unlimited NEM – do the math on that tax credit. And if you raise this to 250kW, which isn't our issue, we can handle that, we can handle the load – we're not like Hawaii Electric where they said oh, the circuits are going to fail – we've done some internal studies; we can handle the growth of the renewables – it's the dollar piece, it's the piece beyond fuel savings that we worry about. Fuel savings you can have, you should have – some payment, some recognition to grow that industry and to recognize that you're doing a good thing, for the customer, and the industry should be paid, but should it be 100%? So, we're proposing that at the end of Kin's testimony, is that the bill be amended to set a cap of 12,000kW of net metering capacity, then I would suggest that you delegate to the PUC. This conversation doesn't have to end here – it doesn't have to end with this legislation and the law that might emerge from it. You already have a very qualified PUC, who has the ability to access expertise; we're not experts, I'm not really an expert, we know this much; when they can access the expertise they can test our thinking, they can see what other parts of the community, other parts of the United States in particular, but even Europe is going through this debate – what are they doing? How are they pricing the cost of the system? Is it unlimited forever? If not, what restrictions are they doing? Like Arizona said, hey, you're going to have to pay something; in fact Arizona said not only are you going to pay something, all the customers that were already customers, they didn't get grandfathered – they said you've got 2 years, in 2 years you're paying something. So at least one PUC, with all the attention that it got, the whole country was watching their decision – we're watching Hawaii, we're watching California – they're the biggest grower of renewable energy. We can learn from them; they too are wrestling with what's the proper balance between the developer, the NEM customer and the rest of the ratepayers who can't do it. So we would propose that you would consider amending the bill, to set an overall capacity cap – the 250kWh is not a problem, but it's the total energy that gets created when it has all these different players, putting in their systems, when it adds up to 12,000kWh; we're saying stop at least 100% net metering and delegate to the PUC to begin a docket, a study, to take it upon themselves to say, OK, now what's the next best decision to keep the growth of renewable energy going, but to also recognize that there are some costs and we'll have more data. Kin talked about how we can look at it every year, the fact that if you give it to the PUC and you require them to look at it annually – you already have a mechanism within the PUC to bring in expertise, to take a look at it, and GREA, ourselves, yourselves, other players can get in a room again and say, what have we learned, after we allowed it to grow this much? And let NEM exist up to this much – what have we learned, can we keep going, maybe we can? The PUC can make that decision; we don't have to run back to the Legislature, create the law, and all that. That's what I would suggest the body consider, is: raise that cap to the 250kW, limit the total amount of energy basically, that can be generated from that cap, that is eligible for 100% net metering subsidy. Once you hit that number, delegate to the PUC to do studies, to determine what a new rate for net metering should be, just like the Arizona PUC did. They ended up coming up with a number; it wasn't 100% net, it was some number. That's a nice way to keep the industry growing, and allow revisits in a way that we can make intelligent policy calls for all of our ratepayers. The net

metering customer needs us to have that grid working well too, even though we're going to subsidize them, even though we're going to give them \$3M, let's say is the current estimate, just based on the actual folks – we're still going to have to spend money on our system, we're just not going to get it from these 140 customers, but that's OK; they're doing something we never had done before, and we want to see it grow, we want to see how far we can grow it, and as long as it's not an adverse impact we should grow it as far as we can. If it starts to become adverse, we need a mechanism, like the PUC, who can quickly act and say, wait a minute, we're seeing the trend, we have some concerns, let's get the industry in here, let's get GPA in here, and say where should we go; we're getting close to this cap, this 12,000kWh, what should we do next? I think that would be a good policy, to create, to give it flexibility, allows the growth, doesn't restrict our renewable partners from the size of their solution for their customer, and I think that's a positive for them. I'm sure that they were fearful that we would come in here and say no, stay at the 25kW or the 100kW – we're really not worried about the impact of an individual NEM customer, regardless of size, we're interested on the cumulative impact if all of those customers of that size, were they to exercise that option and get 100% subsidy from existing ratepayers. That, we think needs to be a balance and by capping, just like what Hawaii did, by capping the amount of energy that can be subsidized. You have a number that we could tell you, we can say that the subsidy won't be more than this number, and we'll work hard to see if we can cut our costs and not have to deal with any rate adjustment, that would be our first goal. But if you take Kin's worst case – you know we can cover \$400K, we can cover \$3M – covering \$20M now becomes a more difficult problem. Will it hit \$20M? Who knows? But it should grow, if we want it to grow but that there needs to be some balance and some cap and we're suggesting on the gross energy side, not on the capacity side, is where you should put that cap and then to delegate, as most states have done now – they give it to their PUC and say you guys figure this out after we get you going, so that would be my suggestion. Create this cap, delegate to the PUC that any further utilization of 100% NEM be a determination of the PUC. It's similar to their order to us, that says, come see us when you have 1,000 customers – don't bother us for the first 1,000 customers, that's reasonable, that's fine – we can handle 1,000 customers. What we're wondering, where are they? How come we're not seeing more? I think you'll see more next year and the year after, because the credits are winding down; if you're not going to do it in the next 24 months your costs are going to go up significantly, so that's our suggestion to try to balance the interests and give us the opportunities through the PUC to revisit this issue in a meaningful way, have healthy discussion, bring in all the parties. The PUC has a very good process for that – they're driving your net metering policy right now, they're the ones who say, come see us after 1,000 – I think they'd be an excellent place to put this kind of decision making after you've launched this change”.

Chairman Ada: thanks Mr. Sanchez, and says that he'll be the first to admit that he probably didn't understand, completely, all that he (Mr. Sanchez) said, and as a result of that they would probably have to do a Renewable Energy 101 roundtable to go over these things again; he then acknowledges Senator Michael San Nicolas for having joined the panel.

Chairman Ada: remarks that before turning things over to the other Senators, he had a question to “clarify one thing; I remember when discussions first started with the issue of net metering and what the capacity limit should be – there was a lot of talk about grid stability, but

that I noticed that in all of your discussion here, the issue of grid stability was not mentioned as a concern, such that then, if you actually increased the cap to 250, grid stability is not a concern – is that correct”?

Mr. Simon Sanchez: “There are some members of our Commission that are...we’re all concerned about grid stability. Some members of our Commission are concerned that you do want to be careful about how much penetration renewables take on a particular circuit, but our team took a preliminary look and said, there’s room to grow. So I think you want to worry about grid stability, you don’t need to worry about it when you only have 134, you do need to worry about it when circuits – let’s say if you raise it to 250, and everybody in commercial Guam in Tamuning, Dededo and Tumon will try to take advantage of it. Then you would want to worry about, how do the circuits in those areas respond to the up and down of renewable energy because that’s what renewables is, it’s wonderful but it’s not steady – it moves up and down. So that’s why you have this issue of circuit and grid impact, but the initial work I’ve seen from Kin and John B. was we can tolerate some; now not all of us agree on that, and I would just say that it’s a concern for us and we would want – but that’s an example of something. We could run to PUC and say hey, circuit number 29B has got so much penetration that if we let one more customer come on, we’re concerned; if 10 more customers come on we’d become concerned; and do you just charge those 10 customers for the impact, or everybody that joined that circuit for the impact? Those are best left to a body like the PUC to sort out, and we’re not inventing these questions – these are the same issues that other people are wrestling with: how much penetration can you allow on a circuit and once you get that penetration, how do you charge the people that have created the penetration? That’s a healthy debate – the PUC is equipped to get that expertise, I think better than the Legislature, and having served on both I think the PUC is the better place to put it – you’re experts on many things but as you’ve said, this is complicated stuff”.

Chairman Ada: “You kept mentioning of course about this subsidy, that right now with the number of customers in the system with renewables, you estimate about a \$3M annual subsidy that is being given to the customers that have renewables – maybe if you can clarify”...

Mr. Simon Sanchez: “We have a hundred...if you look on page 2 of this testimony, we have 144 customers that currently are only being subsidized to the tune of \$414K a year, but if you read the next paragraph, if we go the 1,000 customers, the PUC initial threshold, then that could be \$3M a year – and I think that was the intention of the PUC; they were saying don’t, stop crying about 50 customers, let’s see at 1,000, let’s see what happens, and we’re at 144, and we think we’ll have a lot more – Bill & GREA can tell you better than us – we’re confident they’re going to grow but if you get 1,000 customers that’s \$3M and again as Kin has put it well and we would say the same, are you willing to give \$3M to grow this industry? I think the answer would be yes – where we get nervous is if you lift the cap, from the 25kW and the 100kW to 250kW; you now are going to attract larger customers that use more power and therefore have a greater opportunity to save, but they also take their contribution for fixed costs away as well if they’re given 100% net meter. Arizona finally ruled that you don’t get 100%; it’s less than that, but did it after the industry grew for a while – there was a huge debate, a great political campaign, so again that’s just recognizing that now’s not the time to end net metering and we’re comfortable with lifting the energy cap, right, the capacity cap.

Now, as you know, even though you put so much capacity on a rooftop – since the sun doesn't shine or the wind doesn't blow 24-7, it doesn't make that amount of energy throughout the course of the year; it makes less energy, so that's why what Kin is proposing is not a capacity cap – size doesn't matter, it's the amount of energy that's created from the size of your capacity, knowing that the sun will go down, knowing that the wind will not always blow. You'll see something called CF, Capacity Factor in here, and in plain English what it means is: we've taken our energy; it's 25MW of capacity, at 100% of perfect circumstances, sun shining, everything's looking good, typical May Guam dry season day, you can make 25 megs for that day. On a day like today, it's not going to make 25 megs and it don't make 25 megs at night, so the Capacity Factor is an estimate of how much energy – this thing is this big and it can make this much energy if it worked 24-7, 365 but because it can't through the laws of nature, its Capacity Factor is really on 25% of its what you call it – nameplate output. Its nameplate is 25MW but at night it ain't making 25MW so the amount of energy a 25MW name-plated solar farm can make at night is zero. During the day it's a lot. So that's what they mean by the Capacity Factor – it may have the capacity for 25 megs but in actual practice over a course of a year it's only going to give you about 25% of that, but it's still saving us the amount of energy that 3,000 homes would use; it saves us the amount of fuel 3,000 homes would use, so we will lower our fuel purchases by those savings, and chip away at the use of oil. We grow the renewables industry through GREA, you do our project, you do GCC, we think we need to revisit the DOE project because it's having trouble getting off the ground, but you do that and we just did another 40MW and the Navy wants to do something. We modeled up to 150MW of renewable energy, actually existing on Guam if all these possibilities emerge. Now that's not the amount of energy they'll make over the 24-7, 365, but it's the amount of capacity that they could make, right, if all engines were firing all the time. So we work to manage that, but even if we ran 150MW of renewable energy, because it's not 24-7, we found that we still have to have generators. Until storage can mature, so someone can put a battery on their house, Bill can put a system on their house, and it will make enough energy during the day, and store that energy in the evening so you can still have power, and then you don't need GPA, then you shouldn't make a contribution to the grid. But right now, storage isn't that good – it's not financially feasible, it would be too expensive; if we didn't exist and GREA had to put battery storage on their customer's house, they couldn't afford the system, they wouldn't do it, it's too expensive. They need it – that's where NEM came from, they recognized that you need this industry to grow because it couldn't walk on its own, it couldn't provide 24-7 power on its own yet and in reality it'll never provide 24-7 power but it sure can provide a lot of power that you shouldn't ignore and you should grow it. And that's the balancing act: as this non-firm, non 24-7 energy comes on to the system, you worry about grid stability, you worry about revenue impacts, you worry about making sure that you can give them back the energy that they save for us at night or when the wind doesn't blow. But all those assets that are required to do that have to be paid for, and right now under 100% NEM, the subsidy, we're saying we're willing to give up \$414K, maybe \$3M – if you get 1,000 NEM customers we'll give up \$3M. What we're concerned about is that past \$3M, is there going to be a cap on the dollar impact, not so much on the capacity impact? And we would be concerned, as some of our members are, that you can't overload – you can't hug renewables so much that you overload a circuit and then you blow the circuit for everybody. Because not everybody on that circuit is going to have renewable energy, but that's why he (Kin) has to worry about that, he has to worry about the other ratepayers, we have to worry about that grid. We just can't say, gee we love renewable

energy so much, who cares what happens to the grid? Well, you'll care when you start having to shut down – we made NRG do an impact study because we didn't want to lose Talofofu while we're hugging 25MW of renewable. So we want to embrace and grow renewables but you want to do it responsibly – communities are debating this very much and Senator we've shared some of it with you, so you can see there's a healthy debate going on and there's already been one milestone ruling and it did say NEM wasn't free, unlimited free. And Kauai, I think has a really good model; they just said hey, let's pick the number we're willing to subsidize, and define it through energy, which is the right way to do it and then after that – in Kauai it's no more NEM, period. We're saying, give it to the PUC. Let's not over-predict the future today, let's allow it to grow, let's put some initial caps on it, and then let the PUC revisit those caps and say should we keep going, or not, or what's the balance”?

Chairman Ada: “OK. Vice-Speaker? Senator San Nicolas”?

Senator San Nicolas: “Thank you Mr. Chair. Thank you Sir for providing, as always an elaborate and detailed description of what the situation is, and thank you also to the General Manager for his testimony here as well – it's very well received. I appreciate what's being shared – you know honestly, that's the kind of problem that I would really like us to run into, I want us to run into the problem of how are we going to figure out the balance between solar or alternative energy resources and traditional power generation. I really think that we're a long ways from running into that problem, and you know, I understand that it could be potentially a very debilitating problem if it's completely ignored, but I think we're doing the opposite extreme, but kind of highlighting the problem so much that we're really afraid to turn on the spigot for the renewables side to just maximize its available market share. And for me, my biggest concern is that 30% tax rebate, and the fact that we only have 2 years left to really avail ourselves of it. And under normal circumstances I look at a bill like this and it'd be like wow, we're only going to lift the cap for the large customers, and you know is that going to squeeze out the smaller ones? But it's got Speaker Pangelinan's name on it, and so I've got to dig deeper to really find the meaning behind that, and what I realize is that the reason why he's really willing to target this specific class of customer is because they're the ones who'd be most likely to avail of the credit over the next two years, because the reality is that solar is still very expensive. I did an estimate on my house and I'm like wow, that's looks really attractive but I just can't afford to fork out the \$25-30,000 right now, but maybe these larger businesses who maybe have some of these systems in play, would like to upgrade or maybe there's businesses out there that are saying, you know what, we can go the full gamut, why don't we just go for it, if we can avail of the full credit. So I'm looking at this, and I'm trying to put on Speaker Pangelinan's glasses; when I do, I'm seeing that I think he's targeting the credit here, and I think he's trying to say, you know what, we've only got 2 years – this class of customer will be the most likely to be able to avail of that credit, let's turn it on. And then I kind of rewind and I think of where we were with the Vice-Speaker's bill on the minimum wage, and one of the biggest gripes from the business community was power bills, and I was like, hey that's PUC you know, but reality is that it's all of us, and they were saying lower our costs of doing business, lower the cost of utilities. and one of the easiest ways we can do that is to allow them to avail of renewables, and if we can get more of our commercial class customers, which would be the 250+ kW customers, if you to get them to avail of that more over the next 2 years, then we'll be following through on answering their call; I mean you know we did what

we can, to a small extent for the minimum wage worker, but now's the time for us to follow through for the business community, and if we can help them to lower the cost of utilities for the useful life of a system that's what, 20-30 years, let's do it. Win-win, right? We raise wages a little bit, now we're helping them to save on their utility cost. And if the ceiling that we're looking at here is something that the agency is able to accept at \$3M, then let's go for it, and if it looks like you know all of a sudden everybody's rushing through the doors and it's becoming a fiscal problem, then we should analyze that as well. But in that analysis I was just sitting up here thinking, and I was like – there's a whole lot more to the equation than saying simply, you know we're going to subsidize the cost from the utility and the utility needs to make up those costs and where is it going to come from? There are so many other economic factors that come into play – you know if we reduce the cost of doing business, by reducing the cost of power bills, those businesses might expand and grow, they might add to the ratepayer base, they might create more jobs that creates more ratepayers because they're able to go out and afford more homes, you know, so, the math isn't very linear, it's very, very fluid. Even if we have more residential customers taking advantage of this, that creates more disposable income for them – I know that the question was raised, what if we have so many people go out and take advantage of this and they all sap up the tax credit – 30% at 1,000 customers at \$30,000 per system, which is the residential customer, would be a \$3M credit, but that's more disposable income for them in their pocket, they go out, they buy more groceries, they go to more movies, more GRT, more corporate income tax..."

Mr. Simon Sanchez: "And that's a General Fund credit. That's a General Fund subsidy, so that's what we said earlier before you walked in. The net metering, the federal policy, mirrored by the local tax policy; we're willing to subsidize the growth of this new-born, let's get this new-born going and that's good, right, and we're willing to subsidize it on the net metering side. So now that's 2 ways to help it, right, and that's where the industry's been coming from, help us grow and the only question we're wrestling with now is, should it be capped and in what way because to me it's not win-win, it's got to be win-win-win, there's 3 legs to the stool – there's those who'll benefit from renewable energy directly, like you said, there are some who will take advantage of this, take advantage of the short time frame, there's developers that can clearly help these customers, but then there's going to be everyone else who for whatever – like you, for whatever reason, like me – I'm still trying to convince my wife and my sister, that for whatever reason, we don't do it by 2016, we're going to rely on GPA for our power, well, if 1,000 customers taking \$3M away from GPA, we can absorb that, but what if it takes off and it's \$20M, that means that the rest of those rate payers are stuck with their same system to get their energy but their neighbors have left the system and have been given the permission to not be charged for anything at night or anything when the wind stops blowing, right, but those costs remain, the debt service doesn't change, the generators still have to turn on, they're turning on now while the solar energy is falling back. We're looking for the win-win-win piece. There's a balance there".

Senator San Nicolas: "No, I agree. One of the things we can look at though is...on the final wind part and that's why, the statement about we need to turn it over to the PUC and let the PUC handle that element of it too, there's other ways for us to generate, to off-set the loss in revenue from the solar generation at a dollar-for-dollar net metering eating away at the NEM, that there's a potential for us to make some adjustments to the property taxes, and

improvements – if we can spread the costs out on the property tax side instead and say hey you know what, these grids and these transmission lines – that’s for everybody, so it should be a property tax question and not something we just tack on to ratepayers; then all of a sudden we’re spreading it between whoever is generating solar or whoever’s generating from the traditional turbines, we’re actually saying generation is generation, transmission is transmission – let’s look at a different way to fund transmission. so I think that we’ll get there but I think it’s way over here, and we’re still trying to say, are we going to go with this or not, and I think we can go with it. I do have one question though, and that was – I kind of latched on to something that you were saying Sir about batteries being too expensive. We just did a bond borrowing authorization for batteries and the purpose for the batteries was also to help provide the storage capacity for the solar providers...”.

Mr. Simon Sanchez: “Not really”.

Mr. Joaquin Flores: “My comment in my response to that question Senator was that on a small scale, it becomes a fixed cost to your solar facility that really is difficult to pencil out on the economics”.

Mr. Simon Sanchez: “Yeah, I think that when you talk to anybody in GREA and you ask them, what would the cost be for you to put a battery on top of your solar quote for your household, the cost to put a battery that I can have 24-hour and never have GPA...”.

Senator San Nicolas: “But the thing is that we’re making the investment now in GPA for the battery system, so...”.

Mr. Simon Sanchez: “Right, but it’s not for renewables. No, if you remember the discussion, it’s to end these frequent outages that are going on, this under-frequency, and remember it’s \$40M for a battery that can give you 40MW of capacity, for 30 minutes. If you’re a solar – if you’re a renewable customer you need 24 hours of capacity; when the sun goes down you can’t have that battery run out 30 minutes after you start a dinner, and the technology hasn’t matured yet – it will but it’s just not there yet to give the renewable energy – that’s really the lift they need, is storage. And in fact, if storage matures to where we think it will be, we would argue that the best way to do it is let GPA buy the storage for everybody and do all the renewables you can, right? My belief is that a 100 years from now, our great-great-great-grandchildren will go to the Home Depot of the day, grab some little device, throw it on their wall and they’ll have renewable energy and storage. But that’s not where at now, it’s very expensive, \$40M for 40MW of capacity, but you only get 30 minutes of energy. That’s the difference between capacity and energy – capacity is, how did you say it, how fast you can drive the car, it’s when you punch the car, you can go this fast, but energy is when you’re sitting idle, right? Your car still has to have that capacity – you have to pay for that car and that engine but it’s just sitting there”.

Mr. Joaquin Flores: “I think just to comment to the one point where we’re raising the cap to 250, is an incentive to beat the 2016 tax exemption or the credits. I don’t have this in my testimony but I do have it in another report, that we have 960 customers that can benefit just today with the 100kW limit, and we only have 34 signed up. And so the incentives have

always been there at the 100kW – why they haven't, why they chose or chose not to, I can't answer those questions. Taking it to 250 adds another 500 customers or 484, on top of the 965 customers, that can today enjoy the 100kW cap. So really, where are they? We're saying we're agnostic to the cap, on a miniature small-scale level: it's the aggregate total that we want to plan for, to know for, to make sure we are able to cut costs in time, to avoid any rate increases or to pass it on as a fuel expense. Because that's what it really does, it's energy that avoids fuel. That's all we're saying in this, is that, leave it as an aggregate total, so we estimate maybe 12,000kW? Who knows how many customers that may be? And the cost, take the energy and translate that to a cost and say this is the budgetary limit that we'll be guided by, year over year over year, to manage this better. And to answer your question, Senator Ada, I think when we look at our preliminary analysis, some of the data that was coming in, a lot of the circuits have a lot of room on the top, so we're not reaching this 15, 20% amount of NEMs on a circuit, based on the total capacity of the circuit – we're far from that, so there's some room and allowance to for us to grow into it, and allow the other industry to grow, it's just that putting a definition around it, and not have it open-ended, promoting the industry – we don't have a problem with that. There should be incentives today, and why 900 customers are not doing it – it's puzzling for us”.

Senator San Nicolas: “The financing – it's expensive”.

[All three begin to comment at the same time – their comments are barely intelligible]

Senator San Nicolas: “But a customer though that's able to afford a 250kW system is probably going to be able to cash that, you know, a very large user of that kind of utility, they're either able to access that kind of capital from a bank or a lending institution or they have that kind of cash reserves, but the also attractive part of that is they're using that much energy as a single-source customer – they're probably a very large employer, and you know so being able to drop those costs down, maybe they'll be able to hire more individuals, give out more raises, lower prices – if they're a large employer, they probably sell a lot of goods, which means that the community benefits from the lower cost of doing business, so those are the different...”.

Mr. Simon Sanchez: “I think the only thing that will qualify everything you said was, think about buildings. So even though you're a large employer, the power is serving a building, so you need to think in terms of facilities, and I think that's where we agree with GREA, there are definitely customers that can do more than these caps that are currently in place. But that's why we're OK with lifting the cap to 250, so they don't have to do this fancy rewiring which they're being forced to do. We agree with that, but a large employer – if they have 7 buildings, the benefit you're describing would be maximized if they do all 7 buildings, but they may or may not for whatever reason. But we're saying, let's try it – we're with you, let's try it but some cap on it for now, but don't make it a hard cap, so if you don't make it a hard cap, what's the mechanism for going beyond the cap? We're saying let the PUC wrestle with this – PUC's are wrestling with this throughout the country, they're not running back to the Legislature, they've all delegated to the PUC, at least the states that are the most aggressive with renewables – that's a good place to put it, they know what they're doing, they can get the expertise, they can call us in and they can bring GREA in and say hey, what's going on? As

you know, it's always harder to pass legislation than necessary to pass it to PUC action, that's why we're suggesting, put it in the lap, cap it and from a total energy side, and give it to the PUC to determine what happens next".

Chairman Ada: "OK. I think I know that we can probably take this discussion on all night long; what we'll do is given the discussion today, and the recommendations, we'll see then how the bill can be amended to address the concerns of GPA and also the recommendations that you have. And then, we'll have a roundtable discussion on the amended version of the bill, and we'll continue the discussions then, in a roundtable arrangement, OK? All right. There being no other questions or testimonies to be provided, the Committee on Public Safety, Infrastructure and Maritime Transportation deems Bill 326 to have been duly heard and hereby also adjourns this public hearing, and it is now 5:35. Thank you very much".

III. FINDINGS AND RECOMMENDATIONS

The Committee on Public Safety, Infrastructure and Maritime Transportation hereby reports out Bill 326-32 (COR), as Substituted by the Committee, with the recommendation

TO PASS

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014 (Second) Regular Session

Bill No. 326-32 (LRR)

Introduced by:

V.C. Pangelinan 

**AN ACT TO AMEND A §8502 CHAPTER 8 OF TITLE 12 GUAM
CODE ANNOTATED RELATIVE TO INCREASING THE CAP
ON CUSTOMER-GENERATOR POWER SERVICE ENTRANCE
CAPACITY FOR NON-RESIDENTIAL CLASS CUSTOMERS.**

MAY 22 2014
V.C. PANGELINAN

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. § 8502 Chapter 8 of Title 12 Guam Code Annotated is hereby**
3 **amended to read as follows:**

4 **“§ 8502. Definitions**

5 (a) ‘Customer-generator’ means a user of a net metering system.

6 (b) ‘Net Metering’ means measuring the difference between the electricity
7 supplied by a utility and the electricity generated by a customer-generator which is
8 fed back to the utility over the applicable billing period.

9 (c) ‘Net Metering System’ means a facility for the production of electrical
10 energy that:

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

14 (2) has a generating capacity limited to the following, provided,

1 however, that the rated capacity of the renewable energy generation *does not*
2 exceed the customer-generator power service entrance capacity:

3 (A) *not* exceed twenty-five (25) kilowatts for Guam

4 Power Authority residential class customers; and

5 (B) *not* exceed two hundred fifty ~~one hundred~~ (250~~100~~)

6 kilowatts for Guam Power Authority non-residential class customers;

7 (3) is located on the customer-generator's single contiguous premises
8 and *does not* serve loads outside the customer-generator's single contiguous
9 premises;

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

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

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

15 **Section 3. Effective Date.** This Act *shall* become effective upon enactment.

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014(Second) Regular Session

Bill No. 326-32 (COR)
As Substituted by the Committee on Public Safety,
Public Infrastructure, and Maritime Transportation.

Introduced by: **V.C. Pangelinan**

**AN ACT TO AMEND A §8502 CHAPTER8 OF TITLE 12 GUAM
CODE ANNOTATED RELATIVE TO INCREASING THE CAP
ON CUSTOMER-GENERATOR POWER SERVICE ENTRANCE
CAPACITY FOR NON-RESIDENTIAL CLASS CUSTOMERS.**

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2 **Section 1. §8502Chapter 8of Title12 Guam Code Annotated is hereby**
3 **amended to read as follows:**

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6 (b) ‘Net Metering’ means measuring the difference between the electricity
7 supplied by a utility and the electricity generated by a customer-generator which is
8 fed back to the utility over the applicable billing period.

9 (c) ‘Net Metering System’ means a facility for the production of electrical
10 energy that:

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

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

4 (A) *not* exceed twenty-five (25) kilowatts for Guam
5 Power Authority residential class customers; and

6 (B) *not* exceed two hundred fifty ~~one hundred~~ (250 ~~100~~)
7 kilowatts for Guam Power Authority non-residential class customers;

8 ~~(C) This Subsection is only applicable to solar energy~~
9 ~~systems located on, or co-located for the benefit of GDOE owned~~
10 ~~schools, GDOE leased schools, GDOE administrative, and GDOE~~
11 ~~ancillary buildings. Guam Power Authority public school~~
12 ~~customers under third party owned solar energy power systems~~
13 ~~may exceed net metering capacity limitation as long as there is no~~
14 ~~demonstrated adverse impact on Guam Power Authority's~~
15 ~~transmission and distribution system, and does not exceed eighty~~
16 ~~percent (80%) of GPA's current billing charges. Any contract~~
17 ~~issued under this item shall be under net metering as defined as a~~
18 ~~one to one exchange of energy as currently adopted by the GPUC.~~

19 (3) is located on the customer-generator's single contiguous premises
20 and *does not* serve loads outside the customer-generator's single contiguous
21 premises;

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

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

1 (6) the net metering program will be limited to a total capacity of
2 12,000 kilowatts. Upon attaining said capacity the Guam Public Utilities
3 Commission (PUC) shall initiate a review the net metering program to
4 determine what adjustments, if any, should be made to the net metering
5 program parameters and issue implementing orders as appropriate. GPA
6 shall provide periodic updates to the PUC of the total capacity of renewables
7 that have been installed under the net metering program.

8
9 (d) ‘Utility’ means the Guam Power Authority, a public utility that supplies
10 electricity on Guam.”

11
12 **Section 3. Effective Date.** This Act *shall* become effective upon enactment.

Committee on Public Safety, Infrastructure and Maritime Transportation

Public Hearing

July 23, 2014

4:00 pm

I Liheslaturan Guåhan, Hagåtña

Bill 326-32 (COR) V.C. Pangelinan

An act to amend §8502 Chapter 8 of Title 12 Guam Code Annotated relative to increasing the cap on customer-generator power service entrance capacity for non-residential class customers.

NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT NUMBER
Jose S. Servino	Advanced Engineering		✓	✓		482-9919 ✓
Ben T. Torres	GREA		✓	✓		483-7016 ✓
Bill Hagen	"		✓	✓		
JOAQUIN FLORIS	GPA		✓			
SIMON SANCHEZ	CCN	✓				

GUAM RENEWABLE ENERGY ASSOCIATION

P.O. Box 27389 Barrigada

Guam 96921

The Committee on Public Safety, Infrastructure & Marine Transportation

32nd Guam Legislature

RE: Bill # 326-32

Attn: Senator Tom Ada

Senator Ada and members of the committee:

The U.S. Department of Energy's web site for the *Database of State Incentives for Renewable Energy* www.dsireusa.org section: Maps for net metering policies, shows the various caps on net metering in the United States and its Territories. The caps set on net metering go from 25 KW in Nebraska to unlimited in the state of Arizona and at all levels in between. Raising Guam's net metering cap on commercial (large) installations to 250 KW would make Guam fall somewhere in the middle of the ranges shown on the web site. The question is raised, "How many systems will be installed at 250 KW?" The answer is, "Not many."

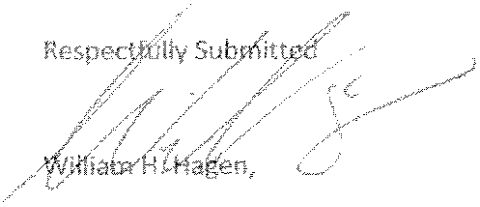
A 250 KW system would require a concrete roof, or space, of about 20,000 square feet and a high electricity demand. The number of potential customers with that much space and a demand of 250 KW is certainly limited. It is much more likely, based on our experience that installs in excess of the current level of 100 KW will be seeking systems below the proposed limit often in the 150 KW to 200 KW range however one or more 250 KW systems are certainly possible.

Currently GPA has on record about 140 net metering customers of which only about 10 are above the homeowner level of 25 KW and of those 10 only 3 are at the upper limit of 100 KW. Less than 8% of net metering applications are for larger capacity systems and only 2% reach the current limit. We believe that the average net metering application is probably in the 5 to 8 KW range. GPA can verify this figure.

At present should a customer with a single meter have the need, the space and the desire for a system in excess of 100 KW they need to go through an extensive rewiring process to "split" their meter into 2 or more meters only to "comply" with an arbitrary cap. If a building has the potential for a 250 KW load and is currently connected to the grid, whether it is drawing the power or storing some of that power on the grid has no effect on any lines or circuits at the current level of penetration.

Please pass bill 326-32 even if you feel the need to limit the number of installs at the new proposed cap.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "William H. Hagen", written over the typed name.

William H. Hagen,
GREA Vice President

June 19, 2014

Senator Vicente Ben Kangelinan's office submitted testimony for the purpose of Bill 325-34 (COR) and 326-32 (COR)

Bill 325-34²

This bill was introduced as a way of further empowering Guam ratepayers by expanding communications between and among the people of Guam, the Public Utilities Commission and the Consolidated Commission on Utilities. One of the main ways to accomplish this, outside of the Ratepayer Bill of Rights, was to establish a procedure for distributing ratepayer complaints. Additionally, the bill if passed into law will hold the power and water utility agencies and their governing bodies accountable for addressing each complaint. There may be individual procedures that each utility agency has to collect and address such concerns but with this bill there will be one uniform standard to collect, address, distribute and communicate consumer complaints filed against the Guam Power Authority and the Guam Waterworks Authority. In the end, Bill 325-34 will complement the intent of the Ratepayer Bill of Rights to further serve and empower the ratepayers of Guam and provide an avenue to ensure ratepayer voices are heard and addressed.

Bill 326-34²

With the cost of petroleum products increasing year after year and federal environmental legislation requiring reduced emission levels, the government of Guam has had to find solutions to meet power demand and federal requirements. Both public and private entities have begun to invest in systems that address their demands and limitations while remaining in compliance with federal regulations. The idea behind net metering came about as a way to promote private investments in renewable energy. With the net metering program established here in Guam, we have begun this process of encouraging renewable energy investments. Bill 326-34 will amend the current net metering law to increase non-residential capacity from 100kw to 250kw. By increasing the customer generator power service entrance capacity, we will in essence be further encouraging more investments in renewable energy such as the photovoltaic renewable energy system investment installed at the St. Francis School in Yona. With access to renewable energy growing, this law will help other schools or private entities to really think about

how to reduce their energy bill and do so in a manner that is both economical and environmentally friendly.



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

July 23, 2014

The Honorable Thomas C. Ada
Chairman, Committee on Public Safety,
Infrastructure, and Maritime Transportation
Suite 207, Ada Plaza Center
173 Aspinall Ave.
Hagatna, Guam 96910

Subject: Bill 326-32; Relative to increasing the capacity cap for non-residential class customers

Thank you for giving the Guam Power Authority an opportunity to testify on Bill 326-32, an act to increase the capacity cap for non-residential customers from 100KW to 250KW.

GPA has been a leader in the community with regards to renewable energy and we support renewable energy projects that can lower the cost of energy for all GPA customers. GPA has contracted for 35,000KW of renewables under Phase I and is currently in the process of procuring an additional 45,000 KW under Phase II. These projects will benefit all ratepayers because the energy purchase price would be at or below the avoided cost of the system. It seems at times that GPA is not seen as a strong proponent for renewables when it is quite the contrary as could be seen in its huge investments into renewables.

We have been supporting and administering the net metering projects as established by law. The existing net metering program is subject to the limitations of 25KW for residential projects and 100KW for commercial projects. There are currently 144 net metering customers totaling about 1,700 KW of solar PV and wind power capacity.

GPA's major concern regarding the net metering program is that non net metering customers are subsidizing net metering projects. This is because the net metering program as it exists allows net metering customers to offset their power cost at the retail price of energy. GPA has the responsibility to bring its concern to the policy makers whenever it determines policies cause a detrimental effect on the ratepayers. This retail price includes:

- The fuel cost component that is a variable cost and therefore when customers produce their own energy, there is no additional cost to GPA customers. This is what we mainly base our centralized renewables contracts on.

- The non-fuel component which is used to pay debt, salaries, operation and other maintenance associated expenses. These are basically fixed cost of the system which has to be collected from ratepayers and are divided amongst all ratepayers. When some ratepayers are allowed to avoid this cost, the price to other ratepayers would have to increase to cover the fixed cost.

We have prepared the following analysis which shows the potential magnitudes of subsidies which are beginning to occur and could potentially happen in the near future. The program as it exists today is an open ended program wherein there is no set initial cap on the capacity of the program which must be accepted, making it very difficult for GPA to determine with certainty the total financial impact on its ratepayers.

Actual Net Metering Customers:

Ending May 2014	Count	Capacity	Average KW/Customer	% of Capacity
Commercial Customers	34	1,140	33.5	65.3%
Residential Customers	110	606	5.5	34.7%
Total Customers	144	1,746	12.1	100.0%

Ending May 2014	Count	Capacity	Energy @ 25% CF	Total Impact
Commercial Customers	34	1,140	2,497,038	\$247,207
Residential Customers	110	606	1,327,359	\$167,114
Total Customers	144	1,746	3,824,397	\$414,321

Extrapolation to A PUC Targeted 1000 Customers:

Base Revenue Annual Impact:	Count	Capacity	Energy @ 25% CF	Total Impact
Commercial Customers	236	7,914	17,332,381	\$2,182,147
Residential Customers	764	4,210	9,219,112	\$912,692
Base Revenue Annual Loss	1,000	12,124	26,551,493	\$3,094,839

Total Annual Fuel Cost Avoidance	1,000	12,124	26,551,493	\$4,593,408
Total Annual Fuel and Base Cost Avoidance:				\$7,688,247

The analysis above indicates:

- The current 144 net metering customers are avoiding \$414K per annum in base rate revenues. This means the eventually the rates to non-net metering customers will have to be increased.
- When we extrapolate the trend to 1,000 customers the subsidy becomes about \$3M. This means that if 10% of GPA's customers or 5,000 customers implement net metering, the subsidy could be as high as \$15M. This means the remaining 45,000 customers will have rates adjusted to cover the fixed cost shortfall. Debts and fixed cost operation and maintenance costs still need to be paid.
- The avoided fuel cost for 1,000 customers is about \$4.6M. GPA fully supports the offset of this cost and is in the best interest of all ratepayers and the island as a whole.

The following shows what the potential financial impact could be with the proposed increase in cap from 100KW to 250KW. The financial subsidy implementing the proposed increase could vary between \$1M to \$20M for 25 to 484 new net metering customers. The potential financial impact to ratepayers is increased substantially.

Commercial / Government Customers:	Current	Proposed	Proposed	Proposed	Proposed
PV System KW Capacity:	100	250	250	250	250
Annual KWH 25% CF	219,000	547,500	547,500	547,500	547,500
Base Rate Loss @ \$.126/kwh	\$27,594	\$68,985	\$68,985	\$68,985	\$68,985

Capped Number of Customers:		25	50	100	484
Base Rate Loss @ \$.126/kwh		\$1,724,625	\$3,449,250	\$6,898,500	\$33,388,740

Increased Loss by 250KW Cap:		\$1,034,775	\$2,069,550	\$4,139,100	\$20,033,244
-------------------------------------	--	--------------------	--------------------	--------------------	---------------------

GPA understands that the Legislature has mandated net metering and the PUC in its orders has set a target of 1,000 customers before it conducts an additional review of the program. This means that GPA would incur at a minimum at least \$3M less in base rate revenues.

GPA can support an increase in the cap if the legislation is accompanied with a cap on the overall net metering program. A cap of 12,000KW net metering capacity, by our calculations would result in about \$3M in subsidies. We can plan on this because the program would be no longer open ended. The PUC and the Legislature can again review the program when the 12,000KW cap is reached. GPA would also propose that the production of renewable energy on customer premises be considered as a LEAC expense, similar to how the production from NGR and PGR would be considered under LEAC.

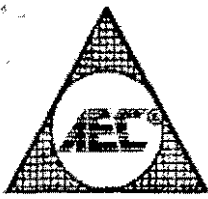
Therefore, GPA would support a 250KW increase in the cap for non-residential class customers if we cap the entire net metering program at 12,000KW. We can work with all net metering customers to insure that adequate mitigation equipment is provided to insure the additional capacity does not impact power quality.

Thank you again for the opportunity to provide our views on this bill.

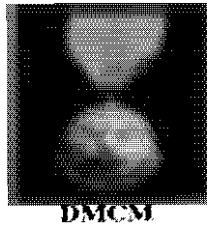
Yours truly,



JOAQUIN C. FLORES, P.E.
General Manager



Servino & Associates, Inc. dba
ADVANCED ENGINEERING CONSULTING COMPANY
 ENERGY, ELECTRICAL, ELECTRONICS, CONTROLS SCADA, COMPUTERS, TELECOMMUNICATIONS and CM



TESTIMONY ON Bill 326-62

July 22, 2014

To: 32nd Guam Legislature

Testimony of: Jose S. Servino, PE

1. My name is Jose Santos Servino, a resident of Yigo, Guam. I am a professional engineer and have been conducting business on Guam for over 50 years in the Energy, Electrical, Electronics, Telecommunication, Computers, Information Technology and Construction Management fields.
2. The purpose of this testimony is to provide information to the 32nd Guam Legislature so it can properly act on Bill 326-62.
3. The present netmetering law only allows for 100 kW solar generator system renewable energy for non-residential facilities. Most states allow for higher generation. See attachment.
4. This Bill to increase the capacity allowed to 250 kW makes a lot of sense as most non-residential facilities has demand loads much larger than 100 kW. They need to have higher generation capability to be able to avoid paying high power rates from high fuel oil prices. This Bill will also support the renewable energy goals established by Guam Bill 166, enacted in March 2008, which established a renewable energy portfolio goal of 25% by 2035.
5. I am in support of the Bill for 250 kW netmetering generation capacity to promote more use of renewable energy and minimize the use of polluting fuel oil, reduction of carbon emission and reduction in the exportation of Guam dollars. This will also improve the economy by expanding the renewable energy businesses and creating more employment.

Signed

Jose S. Servino

Jose S. Servino, PE, CEM, DSM, CBCP
 President/CEO
 Advanced Engineering Consulting Co.

GUAM OFFICE: Suite 300, 454 Ch. Pale Ramon Haya, Yigo, GU 96929; P.O. Box 21156; GMF, GU 96921; Tel: (671) 653-3416
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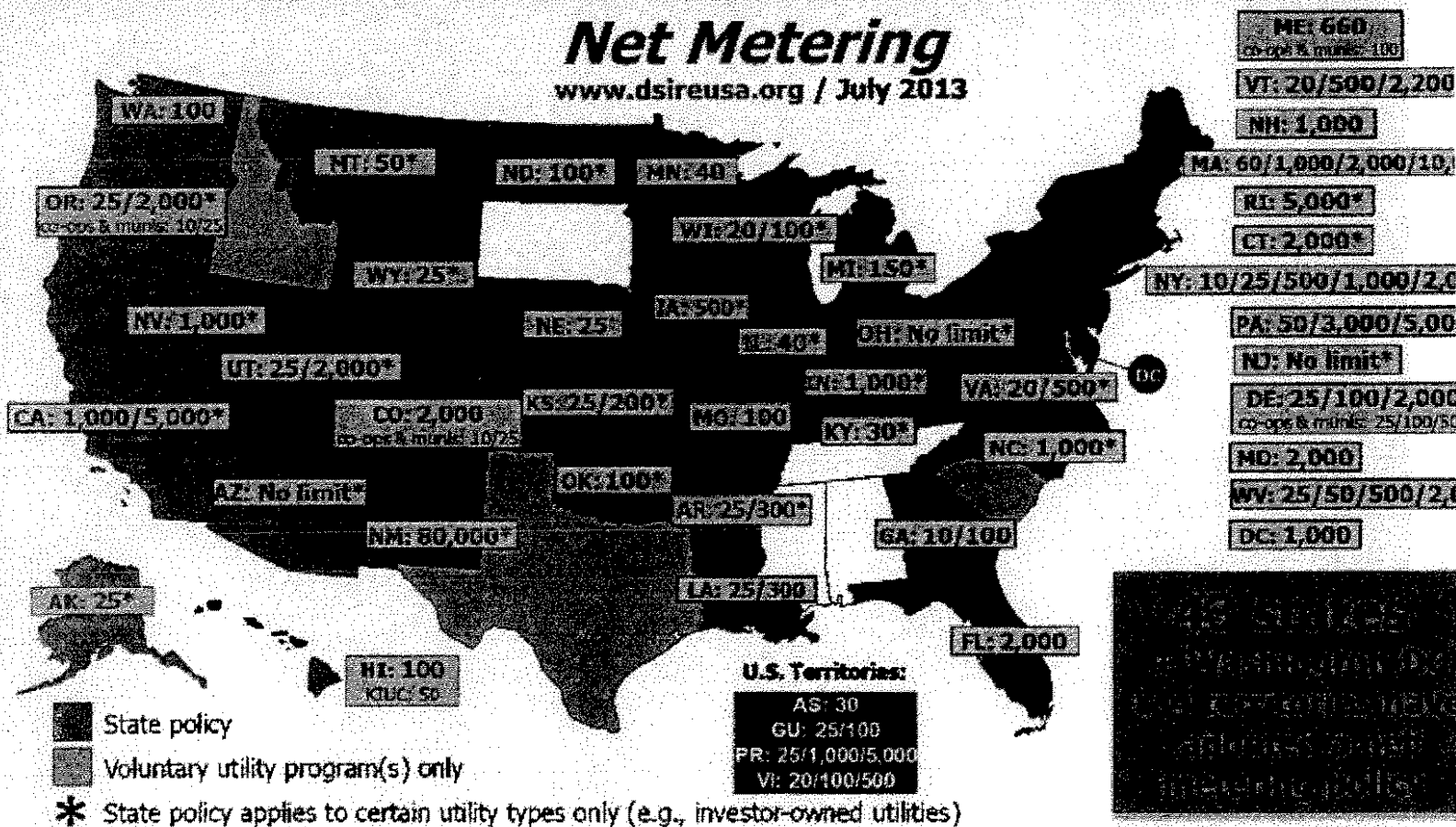
Energy Efficiency & Renewable Energy



NORTH CAROLINA Solar Center

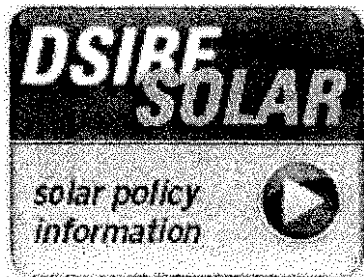
Net Metering

www.dsireusa.org / July 2013



Note: Numbers indicate individual system capacity limit in kilowatts. Some limits vary by customer type, technology and/or application. Other limits might also apply. This map generally does not address statutory changes until administrative rules have been adopted to implement such changes.

The U.S. Department of Energy and the North Carolina Solar Center are excited to announce that a new, modernized DSIRE is under construction. The new version of DSIRE will offer significant improvements over the current version, including expanded data accessibility and an array of new tools for site users. The new DSIRE site will be available in the summer of 2014. Staff are currently working hard on the new DSIRE and are unfortunately only able to make minimal updates to the DSIRE website at this time. We apologize for any inconvenience and thank you for using DSIRE.

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GUAM

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Guam - Renewable Energy Portfolio Goal

 Like 0
Last DSIRE Review: 11/28/2012
Program Overview:
State: Guam

Incentive Type: Renewables Portfolio Standard

Eligible Renewable/Other Technologies: Photovoltaics, Wind, Biomass, Wave Energy, Ocean Thermal

Applicable Sectors: Municipal Utility, Investor-Owned Utility, Rural Electric Cooperative

Standard: 25% of net electricity sales by 2035

Authority 1: [Guam Public Law 29-62](#)

Date Enacted: 3/21/2008

Summary:

Guam Bill 166, enacted in March 2008, established a renewable energy portfolio goal of 25% renewable energy by 2035.* Under this law, each utility that sells electricity for consumption on Guam must establish a renewable portfolio goal according to the following schedule:

- 5% of net electricity sales by December 31, 2015
- 8% of net electricity sales by December 31, 2020
- 10% of net electricity sales by December 31, 2025
- 15% of net electricity sales by December 31, 2030
- 25% of net electricity sales by December 31, 2035

12.5 MW	✓	25 + 1.5 = 26.5
20 "	✓	+ 10 = 36.5
25 "	✓	+ 5 = 41.5
37.5 "		+ 5 = 46.5
62.5 "		+ 5 = 51.5

Additionally, any permit issued for the construction of a base load electrical generation plant must include a requirement that 10% of total generation capacity must come from "alternative" energy sources. The production of alternative energy generation in these plants must also be brought on line at the same time as production from traditional sources. It should be noted that Guam Power Authority (GPA) is the only power utility on Guam.

This bill also authorizes the Guam Public Utilities Commission (PUC) to issue recommendations for the implementation of a utility rate structure designed to reward and encourage consumers to use renewable energy and ensure that utilities' profit margins do not decrease for a period of five years following implementation of this rate structure. The PUC is also charged with designing incentive proposals and further legislation which could be offered to encourage utilities to meet the renewable portfolio goal. Information regarding the PUC's progress on these issues is unavailable.

The GPA's Integrated Resource Plan (IRP) was approved by the PUC in December of 2008. This plan includes considerable attention to the renewable portfolio goals. One of the primary recommendations within the plan is to procure wind (or other renewable energy) projects by the end of 2009, which will help the GPA meet the RPS goals. The GPA issued its first request for proposals in January 2011 and a second one in early 2012.

* A renewable portfolio goal generally is not legally binding, as opposed to a renewable portfolio standard, which is legally binding.

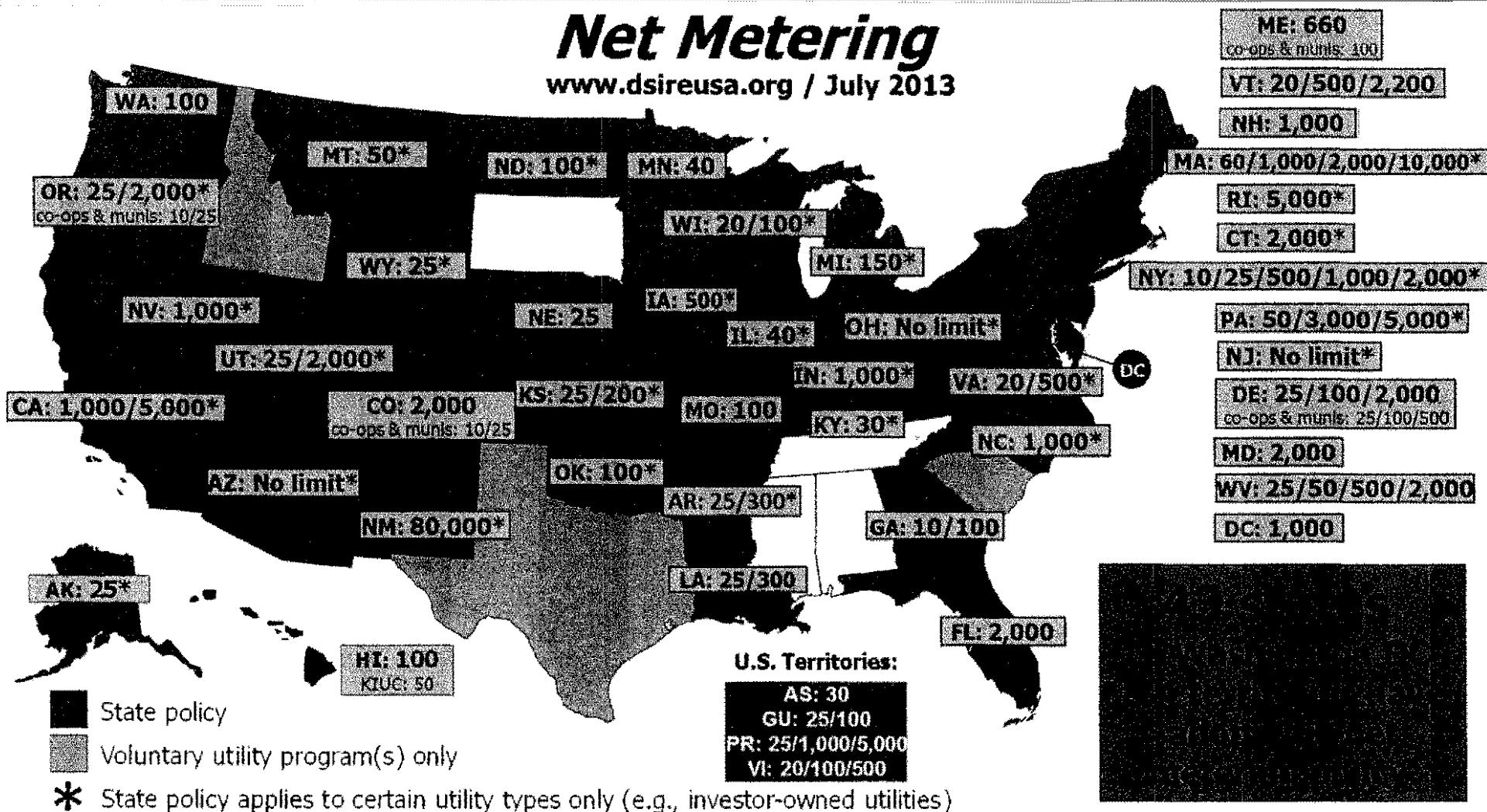
Contact:

General Contact
 Guam Energy Office
 548 North Marine Corps Drive
 Tamuning, GU 96913
 Phone: (671) 646-4361



Net Metering

www.dsireusa.org / July 2013



Note: Numbers indicate individual system capacity limit in kilowatts. Some limits vary by customer type, technology and/or application. Other limits might also apply.

This map generally does not address statutory changes until administrative rules have been adopted to implement such changes.

Bill 326-62 Testimony

Date: JULY 23, 2014

To: 32nd Guam Legislature

My name is Ben T. Torres, member of GREA (Guam Renewable Energy Association).

I am in support of Bill 326-62 for 250kW generation capacity to promote energy efficiency and help reduce overall carbon foot print . Energy efficiency is about making current technology work for us; it should not mean sacrifice.

The sun supplies a free, unlimited clean power source all day, every day. Solar power is eco-friendly and continues to become more efficient as well as cost effective. Our present form of power source depends on limited natural resource as well dramatically adding to our cost of living and utility power rate. Cost of oil fluctuates and we pay dearly. High cost of electricity affects cost of consumer goods.

Solar power generation is viable and necessary in pursuit of our island's quest for sustainability.

Thank you.

A handwritten signature in cursive script that reads "Ben Torres".

**PUBLIC UTILITIES COMMISSION
OF GUAM**

Jeffrey C. Johnson

Suite 207, GCIC Building
Post Office Box 862
Hagatna, Guam 96932

Joephet R. Alcantara
Administrative Law Judge

Joseph M. McDonald
Filomena M. Cantoria
Rowena E. Perez
Michael A. Pangelinan
Peter Montinola
Andy Niven

Telephone: (671) 472-1907
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Frederick J. Horecky
Legal Counsel

Lourdes R. Palomo
Administrator

July 23, 2014

VIA HAND DELIVERY
AND EMAIL: office@senatorada.org

RECEIVED
Office of Senator
Thomas C. Ada

7/23/14

Honorable Thomas C. Ada
Chairperson
Committee on Public Safety, Infrastructure
& Maritime Transportation
32nd Guam Legislature
Suite 207 Ada Plaza Center
173 Aspinall Avenue
Hagatña, Guam 96910

Re: Testimony of the Guam Public Utilities Commission on Bill No. 326-32 (COR)

Dear Chairperson Ada:

Enclosed is written testimony of the Guam Public Utilities Commission on Bill No. 326-32 (COR), "An Act to Amend a §8502 Chapter 8 of Title 12 Guam Code Annotated Relative to Increasing the Cap on Customer-Generator Power Service Entrance Capacity for Non-Residential Class Customers."

The Guam Public Utilities Commission appreciates the opportunity to submit comment on Bill No. 326-30 (COR). Please let me know if you have any questions regarding the testimony submitted herewith.

Most sincerely,



JOEPHET R. ALCANTARA
Administrative Law Judge

Enclosure

BEFORE I MINA'TRENTAI DOS NA LIHESLATURAN GUAHAN
32nd GUAM LEGISLATURE

IN THE MATTER OF:)	
)	
Bill No. 326-32 (COR),)	WRITTEN TESTIMONY OF
)	JEFFREY C. JOHNSON,
AN ACT TO AMEND §8502, CHAPTER 8))	CHAIRMAN, ON BEHALF OF
OF TITLE 12 GUAM CODE))	THE GUAM PUBLIC UTILITIES
ANNOTATED RELATIVE TO))	COMMISSION
INCREASING THE CAP ON))	
CUSTOMER-GENERATOR POWER))	
SERVICE ENTRANCE CAPACITY FOR))	
NON-RESIDENTIAL CLASS))	
CUSTOMERS.))	
_____))	

The Guam Public Utilities Commission (the "PUC") hereby submits its written testimony regarding Bill No. 326-32 (COR), an act introduced by the Honorable Vicente "Ben" C. Pangelinan, to amend §8502 of Title 12 Guam Code Annotated relative to increasing the cap on customer-generator power service entrance capacity for non-residential class customers. We are grateful to have been afforded an opportunity to comment on Bill No. 326-32 (COR).

In general, the PUC supports an increase to the allowable rated capacity of Net Metering Systems for GPA non-residential class customers from one hundred (100) kilowatts to two hundred fifty (250) kilowatts. The increase in capacity would be on trend with the capacity limitations imposed in other jurisdictions.

For instance, in Arkansas, the capacity limit for non-residential customers is three hundred (300) kilowatts. In the state of Vermont, the capacity limit for commercial and government systems is five hundred (500) kilowatts. In the U.S. Virgin Islands, the system capacity limit for the government, which includes schools and hospitals, is also five hundred (500) kilowatts.

In the District of Columbia, net metering is currently available to both residential and commercial class customers at a maximum capacity of one (1) megawatt. In Puerto Rico, non-residential systems are allowed up to one (1) megawatt in capacity if connected to distribution lines, and five (5) megawatts if connected to transmission or sub-transmission lines. In New Hampshire and California, the capacity limit for all customers is one (1) megawatt.

In some jurisdictions, the capacity limitations are much higher. For example, in the state of New York, the system capacity limit for solar is set at two (2) megawatts for non-residential customers. In the states of Utah, Oregon, and Connecticut,

the capacity limit is also two (2) megawatts for non-residential customers. In Delaware, the capacity limit for non-residential customers is between five hundred (500) kilowatts to two (2) megawatts; and in Rhode Island, the limit is five (5) megawatts.

In addition, the increase in capacity for commercial and government customers will promote the development and utilization of additional net metered facilities, which is in accord with the Guam Legislature's intent to promote renewable energy usage on the island. When Public Law 27-132 was passed into law, which was the original net metering legislation, the Guam Legislature intended to "combine new power-generation technologies with traditional power-generation systems in order to expand and safeguard the island's electric supply, without the need for additional capital investment by the utility company." P.L. 27-132, p. 2 (Dec. 31, 2004). The Legislature further intended "to (a) encourage private investment in renewable energy resources; (b) stimulate economic growth; and (c) enhance the continued diversification of the renewable energy resources used in Guam." *Id.* Bill No. 326-32 (COR) achieves these goals.

The rising costs of energy impact the financial health and stability of Guam's residents, businesses, and government. Lessening our reliance on fossil fuels should result in lower energy costs for residents and businesses. Accordingly, we support the amendments to Title 12 G.C.A. Section 8502 as proposed under Bill No. 326-32 (COR).

We extend our heartfelt gratitude to the late Senator Ben Pangelinan who always supported the PUC and the efforts to lessen the costs of utilities for the ratepayers of Guam. His leadership will not be forgotten.

Thank you for the opportunity to provide you with this testimony.

GUAM PUBLIC UTILITIES COMMISSION

By: Jeffrey C. Johnson for
JEFFREY C. JOHNSON, Chairman



Guam Renewable Energy Association

The Committee on Public Safety, Infrastructure & Marine Transportation, 32nd Guam Legislature.

Attn: Senator Ada, Chairman

Re: GPA's written response on Bill No. 326-32

Dear Senator Ada:

We, the board members of the Guam Renewable Energy Association, listed below, would like to respond to GPA's written testimony submitted to you and your committee on July 23, 2014. (attached for your easy reference)

Contrary to what is written, GPA's support of NEM has been begrudging at best. NEM was made law in 2004 but it was not until 2009 that GPA submitted the necessary documentation to the PUC for approval. Yes it was a slow start for the industry as we learned the new technology, trained workers, found sources for materials and located our first customers but we are beginning to see some real growth in our industry. Maybe it was that potential growth that drove the agency in 2013 to submit to the PUC a rate proposal designed to destroy the NEM program on Guam. Customer service: to date it is not possible for a NEM customer to find their credits either on their bill or on GPA's web site and we can present numerous cases where solar credits have just disappeared. This all started with the "smart" meter.

Last year Speaker Won Pat, and other senators, introduced a bill to allow GDOE access to private public partnerships for the purchase of photovoltaic power at rates less than current utility rates. GPA's testimony and submitted documents regarding the technology, the legality and the financial analysis were all found wanting and all of their objections were overcome. Bill 74-32 became PL 095-32 in November of 2013, over the continued objections of the utility.

Governments in the United States, at all levels, have been providing incentives to grow the renewable industry and reduce the importation of foreign fossil fuels. There is the Federal incentive, which applies to Guam, but there are many also states, cities and even utilities with

P.O. Box 27389
Barrigada, 96921
Phone 671-487-3763

various levels of incentives and yes there has been push back from investor owned utilities but it is an ongoing conversation in many jurisdictions with resolution yet to come. The Arizona debate seems to be a popular one which recently ended with the utility being given permission to charge NEM customers \$5.00 per month, a far cry from the \$0.126/kwh our utility claims to be losing.

Maybe it's time to turn the conversation around, change the vocabulary and look at the benefits renewables, particularly solar, bring to the table. There is a phrase we would like to substitute for "utility loss." How about **Value of Solar?** Our utility currently denies any value to the utility, and the community, in privately owned renewable installations but not in other parts of the United States. Attached is a report out of Minnesota on the Public Utility Commission's precedent setting policy regarding **Value of Solar.** Our utility wants to recover \$0.126/kwh in fixed/overhead costs (higher than the retail cost of electricity in many areas) without regard for the **Value for Solar** as detailed in the report. Various charts in the report suggest that the **Value of Solar** could be as much as \$0.09/kwh which is consistent with other studies completed in other locations of the United States which we have seen.

GPA has made huge investments in renewables?? GPA has signed a contract with a private producer to purchase electricity. If they have invested any money in this project, beyond administration, they will need to account for it. And, what is the savings when they buy power from a third party at the same price as they pay for oil and sell the power to the rate payer at normal retail rates? We applaud their environmental act but let's not call it a savings just yet.

There are serious errors in the charts on page 2 & 3. What is energy at 25% CF? In all our exposure to the world of photovoltaics none of us have ever come across such a term as 25% CF or even CF. The capacity of 1,140 KW will produce annually 2,080,000 kwh, not the number in the charts. That's a fact learned in PV 101. So when you extrapolate an error, what is the result?? GPA continues to demonstrate its lack of basic working knowledge of Photovoltaic systems while claiming to be the communities' leader.

And what about poor Tan Maria? Most of our customers are Tan Maria and her children who are trying to stabilize their living expense and avoid the continued increase in power. As GPA has noted, most of the existing NEM customers have installed a system of 5 KW or less. These systems about the same as most new automobiles and will continue to provide savings to Tan Maria and her family for the next 30 plus years.

We look forward to our next meeting with GPA who likes to call us their partner.

Respectfully Submitted by:

July 26, 2014

Board Members of the Guam Renewable Energy Association

Tommy Tanaka

Bill Hagen

Jose Perez

Alfred Lam

Tracy Voacolo

Lynn Scott

Jeff Voacolo

P.O. Box 27389
Barrigada, 96921
Phone 671-487-3763



COMMITTEE ON RULES

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155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: roryfor Guam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Senator
Vicente (Ben) C. Fangelinan
Member

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Senator
Dennis G. Rodríguez, Jr.
Member

Vice-Speaker
Benjamin J.P. Cruz
Member

Legislative Secretary
Tina Rose Muña Barnes
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

July 2, 2014

Memorandum

To: **Rennae Meno**
Clerk of the Legislature

From: **Senator Rory J. Respicio**
Majority Leader & Rules Chair

Subject: **Fiscal Notes**

Hafa Adai!

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes are issued on the bills as introduced.

FISCAL NOTES:

- Bill No. 318-32(LS)
- Bill No. 325-32(COR)
- Bill No. 326-32(COR)
- Bill No. 332-32(LS)
- Bill No. 354-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'ase'!

2014 JUL 2 14 10:10

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO
GOVERNORJOSE S. CALVO
ACTING DIRECTORRAY TENORIO
LIEUTENANT GOVERNORJOHN AB PANGELINAN
ACTING DEPUTY DIRECTOR

JUL 03 2014

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Dos na Liheslaturan Guåhan
The 32nd Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 318-32(LS), 325-32(COR), 326-32(COR), 332-32(LS), and 354-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.



JOSE S. CALVO
Acting Director

Enclosures
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research
Fiscal Note for Bill No. 326-32 (COR)**

AN ACT TO AMEND A §8502 CHAPTER 8 OF TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO INCREASING THE CAP ON CUSTOMER-GENERATOR POWER SERVICE ENTRANCE CAPACITY FOR NON-RESIDENTIAL CLASS CUSTOMERS.

Department/Agency Appropriative Information

Dept./Agency Affected: Guam Power Authority	Dept./Agency Head: Joaquin Flores
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Specify) appropriation(s) to date:	-
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance ¹			
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (P.L. 32-068- P.L. 32-147)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? Yes No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? N/A Yes No
If no, what is the additional amount required? \$ _____ N/A
- Does the Bill establish a new program/agency? Yes No
If yes, will the program duplicate existing programs/agencies? N/A Yes No
Is there a federal mandate to establish the program/agency? Yes No
- Will the enactment of this Bill require new physical facilities? Yes No
- Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: Yes No
 Requested agency comments not received by due date Other: _____

Analyst: <u>Matt Onizata</u>	Date: <u>7/1/14</u>	Director: <u>Jose S. Calvo, Acting BBRM Director</u>	Date: <u>7/1/14</u>
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Footnotes:

Please see attached to fiscal note.

Bureau of Budget and Management Research
Comments on Bill No. 326-32 (COR)

The proposed legislation is aimed to increase the cap on customer-generator power service entrance capacity for non-residential class customers of the Guam Power Authority by amending §8502 of Chapter 8 under Title 12, Guam Code Annotated.

The proposed legislation states of raising the customer-generator power service entrance capacity for non-residential class customers from not exceeding one hundred kilowatts (100 kW) to not exceeding two hundred fifty kilowatts (250 kW). In an email from Randall Wiegand of the Guam Power Authority, he says net metering is hurting their revenues with respect to the Bill and much of their costs are recovered through variable rates. He explained when customers receive power from solar energy during the day, GPA collects less from them. The Power Authority still has to keep their generators, substations, lines and transformers running to provide ongoing service even though they just don't have the funds to pay for all of them. He also says that one of their concerns is that as of September 20, 2013 there were a total of 72 net metering customers, which resulted in a loss of revenues amounting to approximately \$278,000. In the case of the rates interceded for the year beginning October 1, 2013, the \$278,000.00 in losses was allocated to the non-net metering customers. Consequently, net metering customers saved a fraction and all other non-net metering customers saw their bills increase. They don't believe this to be sustainable and agree that this proposed legislation does convey a fiscal impact to the Guam Power Authority in loss revenues but does not, by any means, have an effect on the General Fund.

Lastly, it should be noted that there are discrepancies wherein Bill No. 326-32 (COR) states a "Section 3. Effective Date." Since there is no "Section 2" mentioned on the proposed legislation, "Section 3. Effective Date." should be revised as "Section 2. Effective Date."



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: rmyfor Guam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Senator
Vicente (Ben) C. Pangelinan
Member

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Senator
Dennis G. Rodriguez, Jr.
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Vice-Speaker
Benjamin J.F. Cruz
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Legislative Secretary
Tina Rose Muña Barnes
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

May 5, 2014

VIA E-MAIL
john.rios@bbmr.guam.gov

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Notes-- Bill Nos. 325-32 (COR) through 330-32(COR)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

Si Yu'os ma'åse' for your attention to this matter.

Very Truly Yours,

Senator Rory J. Respicio
Chairperson of the Committee on Rules

Attachment (1)

Cc: Clerk of the Legislature

Bill Nos.	Sponsors	Title
325-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A §79108 TO CHAPTER 79 OF TITLE 12 GUAM CODE ANNOTATED RELATIVE TO PUBLISHING CONSUMER COMPLAINTS.
326-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND A §8502 CHAPTER 8 OF TITLE 12 GUAM CODE ANNOTATED RELATIVE TO INCREASING THE CAP ON CUSTOMER-GENERATOR POWER SERVICE ENTRANCE CAPACITY FOR NON- RESIDENTIAL CLASS CUSTOMERS.
327-32 (COR)	T. R. MUÑA BARNES	AN ACT RELATIVE TO AMENDING 12 GCA § 5135 (D) TO PLACE THE GHURA 500 LOT SALE FUND UNDER THE CUSTODIANSHIP, DISCRETION AND PURVIEW OF THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY.
328-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO APPROVE AND ADOPT THE CIP SCHEDULE AND LAND USE DESIGNATIONS IN THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM MASTER PLAN UPDATE 2013 REPORT.
329-32 (COR)	Chris M. Dueñas	AN ACT TO REZONE LOT NO. 2-1 NEW, TRACT 132, MUNICIPALITY OF AGAT, FROM ONE-FAMILY DWELLING ZONE (R1) TO COMMERCIAL ZONE (C).
330-32 (COR)	Chris M. Dueñas	AN ACT TO REZONE LOT 2-R3, BLOCK 2, TRACT 172, MUNICIPALITY OF DEDEDO, FROM ONE-FAMILY DWELLING ZONE (R1) TO COMMERCIAL ZONE



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
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Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
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Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

April 30, 2014

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio**
Chairperson of the Committee on Rules

Subject: **Referral of Bill No. 326-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 326-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I Mina'Trentai Dos Na Liheslaturan Received
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
326-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND A §8502 CHAPTER8OF TITLE 12 GUAM CODE ANNOTATED RELATIVE TO INCREASING THE CAP ON CUSTOMER-GENERATOR POWER SERVICE ENTRANCE CAPACITY FOR NON-RESIDENTIAL CLASS CUSTOMERS.	04/29/14 3:24 p.m.	04/30/14	Committee on Public Safety, Infrastructure, & Maritime Transportation			Fiscal Note Requested 5/5/14 Fiscal Note Received 7/3/14



Senator Tom Ada

Blaine Dydasco <bdydasco@senatorada.org>

1st Notice: Public Hearing - July 23, 2014 - 4:00pm

6 messages

Blaine Dydasco <bdydasco@senatorada.org>

Tue, Jul 15, 2014 at 2:17 PM

To: phnotice@guamlegislature.org, Media <media@senatorada.org>

Cc: William Brennan <will@senatorada.org>, Tony Perez <tony@senatorada.org>, Blaine Dydasco <bdydasco@senatorada.org>

Bcc: David Leddy <dleddy@guamchamber.com.gu>, ccastro@guamchamber.com.gu, rdelgado@guamchamber.com.gu, eduardo.ordonez@clb.guam.gov, ronnie.santos@clb.guam.gov, maria.perez@clb.guam.gov, toma@blackguam.com, achan@hawaiianrock.com, Sonny Ada <sonnyada@guam.net>, samlaiams@aol.com, carl.dominguez@dpw.guam.gov, jessie.palican@dpw.guam.gov, antoinette.cruz@dpw.guam.gov, jflores@gpagwa.com, mcamacho@gpagwa.com, sbias@gpagwa.com, freyes@gpagwa.com, jsablan@gpagwa.com, vsablan@gpagwa.com, Simon Sanchez <gdcmgr@ite.net>, jbenavente@gpagwa.com, Isablan@gpagwa.com, bill_hagen@hotmail.cm, jvoacolo@micronesiarenewableenergy.com, president@ghra.com, jeffcharjohnson@hotmail.com, lpalomo@guampuc.com, horeckylaw@teleguam.net, jaicantara@tgalaw.net, VSPinkney@tgalaw.net, kathyb@guamwaterworks.org, Cruz Tom <thomas@guamwaterworks.org>, Marian Pizarro <marian@marianascollection.com>

July 15, 2014

MEMORANDUM

To: All Senators, Media, and Stakeholders

Fr: Senator Thomas C. Ada

Subject: **1st Notice: Public Hearing – July 23, 2014 – 4:00pm**

Please be advised that the Committee on Public Safety, Infrastructure, and Maritime Transportation is holding a public hearing on Wednesday, July 23, 2014 at 4:00pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*. The agenda is as follows:

-
4:00pm

The **Executive Appointment of Ms. Marian Pizarro** to serve as a **General Member Representative** to the **Guam Contractors License Board**.

Bill 325-32(COR) V.C.Pangelinan

An act to add a §79108 to Chapter 79 Title 12 Guam Code Annotated relative to publishing consumer complaints.

Bill 326-32(COR) V.C.Pangelinan


An act to amend §8502 Chapter 8 Title 12 Guam Code Annotated relative to increasing the cap on customer generator power service entrance capacity for non-residential class customers.

Testimony on the Executive Appointment of Ms. Pizarro, Bill 325-32 (COR) or Bill 326-32 (COR) should be addressed to Senator Thomas C. Ada, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96932, via email to office@senatorada.org, or via facsimile to (671) 473-3303 until **Friday, August 1, 2014 at 5:00 pm**. Individuals requiring special accommodations, auxiliary aids, or services should submit their request to Blaine Dydasco at 473-3301. Please feel free to contact my office should you have any questions or concerns.

Si Yu'os Ma'ase.

Thomas C. Ada

Office of Senator Tom C. Ada
I Mina' Trentai Dos Na Liheslaturan Guahan-32nd Legislature
Office (671) 473-3301

 PH notice for 7-23-14.pdf
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Mail Delivery Subsystem <mailer-daemon@googlemail.com>
To: bdydasco@senatorada.org

Tue, Jul 15, 2014 at 2:18 PM



Senator Thomas C. Ada

Chairman - Committee on Public Safety, Infrastructure & Maritime Transportation
I Mina'trentai Dos Na Liheslaturan Guåhan • 32nd Guam Legislature

July 15, 2014

MEMORANDUM

To: All Senators, Media, and Stakeholders

Fr: Senator Thomas C. Ada

Subject: **1st Notice: Public Hearing – July 23, 2014 – 4:00pm**

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Si Yu'os Ma'ase.

Thomas C. Ada



Senator Tom Ada

Blaine Dydasco <bdydasco@senatorada.org>

2nd Notice: Public Hearing-July 23, 2014 - 4:00pm.

7 messages

Blaine Dydasco <bdydasco@senatorada.org>

Fri, Jul 18, 2014 at 12:23 PM

To: phnotice@guamlegislature.org, Media <media@senatorada.org>

Cc: William Brennan <will@senatorada.org>, Coy Torres <coy@senatorada.org>, Tony Perez <tony@senatorada.org>

Bcc: David Leddy <dleddy@guamchamber.com.gu>, ccastro@guamchamber.com.gu, rdelgado@guamchamber.com.gu, eduardo.ordonez@clb.guam.gov, ronnie.santos@clb.guam.gov, maria.perez@clb.guam.gov, toma@blackguam.com, achan@hawaiianrock.com, Sonny Ada <sonnyada@guam.net>, samlaiams@aol.com, carl.dominguez@dpw.guam.gov, jessie.palican@dpw.guam.gov, antoinette.cruz@dpw.guam.gov, jflores@gpagwa.com, mcamacho@gpagwa.com, sbias@gpagwa.com, freyes@gpagwa.com, jsablan@gpagwa.com, vsablan@gpagwa.com, Simon Sanchez <gdcmgr@ite.net>, jbenavente@gpagwa.com, lsablan@gpagwa.com, bilf_hagen@hotmail.cm, jvoacolo@micronesiarenewableenergy.com, president@ghra.com, jeffcharjohnson@hotmail.com, lpalomo@guampuc.com, horeckylaw@teleguam.net, jalcantara@tgalaw.net, VSPinkney@tgalaw.net, kathyb@guamwaterworks.org, Cruz Tom <thomas@guamwaterworks.org>, Marian Pizarro <marian@marianascollection.com>

July 18, 2014

MEMORANDUM

To: All Senators, Media, and Stakeholders

Fr: Senator Thomas C. Ada

Subject: **2nd Notice: Public Hearing – July 23, 2014 – 4:00pm**

Please be advised that the Committee on Public Safety, Infrastructure, and Maritime Transportation is holding a public hearing on Wednesday, July 23, 2014 at 4:00pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*. The agenda is as follows:

-
4:00pm

The **Executive Appointment of Ms. Marian Pizarro** to serve as a **General Member Representative to the Guam Contractors License Board.**

-

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-

Bill 326-32(COR) V.C.Pangelinan

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Testimony on the Executive Appointment of Ms. Pizarro, Bill 325-32 (COR) or Bill 326-32 (COR) should be addressed to Senator Thomas C. Ada, Chairperson, and will be accepted via hand delivery to our office, our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96932, via email to office@senatorada.org, or via facsimile to (671) 473-3303 until **Friday, August 1, 2014 at 5:00 pm**. Individuals requiring special accommodations, auxiliary aids, or services should submit their request to Blaine Dydasco at 473-3301. Please feel free to contact my office should you have any questions or concerns.

Si Yu'os Ma'ase.

Thomas C. Ada

-

Office of Senator Tom C. Ada
I Mina' Trentai Dos Na Liheslaturan Guahan-32nd Legislature
Office (671) 473-3301



PH 2nd notice for 7-23-14.pdf

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To: bdydasco@senatorada.org

Fri, Jul 18, 2014 at 12:23 PM



Senator Thomas C. Ada

Chairman - Committee on Public Safety, Infrastructure & Maritime Transportation
I Mina'trentai Dos Na Liheslaturan Guåhan • 32nd Guam Legislature

July 18, 2014

MEMORANDUM

To: All Senators, Media, and Stakeholders
Fr: Senator Thomas C. Ada
Subject: **2nd Notice: Public Hearing – July 23, 2014 – 4:00pm**

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Si Yu'os Ma'ase.

Thomas C. Ada

**Listserv: phnotice@guamlegislature.org
As of July 7, 2014**

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As of July 7, 2014

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Media media@senatorada.org

Email addresses of all media contacts (for press releases)

[Change group info](#) [Delete group](#)

[Members](#) [Roles and permissions](#) [Nicknames](#)

Add new members You can add both users and other groups.

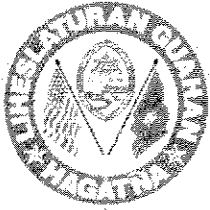
Type names, usernames, email addresses

[Add](#) [as](#) [Member](#)

[Remove members](#) [More actions](#)

1 - 30 [Next](#)

Name	Email address	Role
All users within Office of Senator Tom Ada		Owner
amier@mvguam.com	amier@mvguam.com	Member
bmkelman@guampdn.com	bmkelman@guampdn.com	Member
breakfastshowk57@gmail.com	breakfastshowk57@gmail.com	Member
clynt@spbguam.com	clynt@spbguam.com	Member
contact@guambcc.org	contact@guambcc.org	Owner
dcrisost@guampdn.com	dcrisost@guampdn.com	Member
dmgeorge@guampdn.com	dmgeorge@guampdn.com	Member
dtamondong@guampdn.com	dtamondong@guampdn.com	Member
editor@mvguam.com	editor@mvguam.com	Member
gdumat-oi@guampdn.com	gdumat-oi@guampdn.com	Member
gerrypartido.mvguam8@gmail.com	gerrypartido.mvguam8@gmail.com	Member
jac.cherry@gmail.com	jac.cherry@gmail.com	Member
jason@kuam.com	jason@kuam.com	Member
joy@mvguam.com	joy@mvguam.com	Member
jtyquiengco@spbguam.com	jtyquiengco@spbguam.com	Member
kenq@kuam.com	kenq@kuam.com	Member
kevin@spbguam.com	kevin@spbguam.com	Member
krystal@kuam.com	krystal@kuam.com	Member
kstokish@gmail.com	kstokish@gmail.com	Member
life@guampdn.com	life@guampdn.com	Member
lmatthews@guampdn.com	lmatthews@guampdn.com	Member
mabuhaynews@yahoo.com	mabuhaynews@yahoo.com	Member
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Senator Thomas C. Ada

Chairman - Committee on Public Safety, Infrastructure & Maritime Transportation
I Manterral Das Na Liheslaturan Guåhan • 32nd Guam Legislature

AGENDA **PUBLIC HEARING** **Wednesday, July 23, 2014** **Public Hearing Room, *I Liheslaturan Guåhan***

The agenda is as follows:

4:00 pm

The **Executive Appointment of Ms. Marian Pizarro** to serve as a **General Member Representative to the Guam Contractors License Board.**

Bill 325-32(COR) V.C. Pangelinan

An act to add a §79108 to Chapter 79 of Title 12 Guam Code Annotated relative to publishing consumer complaints

Bill 326-32 (COR) V.C. Pangelinan

An act to amend §8502 Chapter 8 of Title 12 Guam Code Annotated relative to increasing the cap on customer-generator power service entrance capacity for non-residential class customers

Testimony on the Executive Appointment of Ms. Pizarro, Bill 325-32(COR), or Bill 326-32(COR) should be addressed to Senator Thomas C. Ada, Chairperson, and will be accepted via hand delivery to our office or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96932, via email to office@senatorada.org, or via facsimile to (671) 473-3303 until **Friday, August 1, 2014, at 5:00 pm**. Individuals requiring special accommodations, auxiliary aids, or services should submit their request to Blaine Dydasco at (671) 473-3301. Please feel free to contact our office should you have any questions or concerns.

NET METERING

Feeder	Count	KW	Feeder KW Loading	NEM % of Feeder Load
P-005	4	128.0	1,250	10.2%
P-283	7	187.8	2,647	7.1%
P-111	1	60.0	901	6.7%
P-272	1	100.0	1,553	6.4%
P-294	11	194.2	3,185	6.1%
P-323	12	210.9	3,939	5.4%
P-281	2	110.7	2,152	5.1%
P-253	10	89.3	3,229	2.8%
P-340	5	31.4	1,174	2.7%
P-311	8	69.9	3,177	2.2%
P-220	2	8.0	383	2.1%
P-203	14	84.1	4,117	2.0%
P-240	2	58.6	3,384	1.7%
P-245	1	50.0	3,689	1.4%
P-212	7	33.2	2,678	1.2%
P-298	1	16.0	1,558	1.0%
P-271	5	36.0	3,640	1.0%
P-213	2	16.6	1,899	0.9%
P-250	5	30.0	3,515	0.9%
P-322	9	46.4	5,439	0.9%
P-262	4	19.3	2,612	0.7%
P-251	2	12.0	1,672	0.7%
P-089	5	21.8	3,080	0.7%
P-210	4	23.0	3,577	0.6%
P-205	2	22.0	3,478	0.6%
P-301	1	6.0	1,079	0.6%
P-330	4	17.1	3,442	0.5%
P-282	1	11.0	2,439	0.5%
P-331	2	14.6	4,773	0.3%
P-046	2	9.8	3,345	0.3%
P-270	1	8.7	3,870	0.2%
P-223	1	3.6	1,708	0.2%
P-204	1	7.1	3,650	0.2%
P-332	1	6.5	4,172	0.2%
P-221	1	2.0	2,536	0.1%
P-088	1	0.8	4,836	0.0%
Totals:	142	1,746		

Description	Total
NEM in Feeders	36
GPA Feeders	64
% of Feeders with NEM	56.3%

Highest Loading % NEM	
P-005	0.102

10.2%

Highest Number of NEM	
P203	14

NEM Customers ending May 2014	Count	Capacity	Avg KW/Customer	%of Customers	% of Capacity
Commercial Customers	34	1,140	33.5	23.6%	65.3%
Residential Customers	110	606	5.5	76.4%	34.7%
Total Customers	144	1,746	12.1	100.0%	100.0%

NEM Customers ending May 2014	Count	Capacity	Energy @ 25% CF	Base Rate \$/kwh	Total Impact
Commercial Customers	34	1,140	2,497,038	\$0.099	\$247,207
Residential Customers	110	606	1,327,359	\$0.126	\$167,114
Total Customers	144	1,746	3,824,397		\$414,321

Extrapolation for 1000 Customer PUC Target

Base Revenue Annual Impact	Count	Capacity	Energy @ 25% CF	Base Rate \$/kwh	Total Impact
Commercial Customers	236	7,914	17,332,381	\$0.099	\$1,715,906
Residential Customers	764	4,210	9,219,112	\$0.126	\$1,160,686
Total Customers	1,000	12,124	26,551,493	\$0.108	\$2,876,592

Base Revenue Annual Loss ✓	1,000	12,124	26,551,493	\$0.108	\$2,876,592
Total Annual Fuel Cost Avoidance	1,000	12,124	26,551,493	\$0.173	\$4,593,408
Total Annual Cost Avoidance	1,000	12,124	26,551,493	\$0.281	\$7,470,000

Alternate Proposal:

Increase Commercial cap to 250KW, but cap entire net metering program at 12,000KW.

Revisit the NEM Caps when 12,000KW is reached.

Description	NEM KW Cap	Energy Cap @ 25% CF	Average Base Rate	Impact
Residential Cap @ 25KW; Commercial Cap @ 250KW	12,000	26,280,000	\$0.108	\$2,838,240

12 MW

Customers
Increased Loss

25	50	75	100	484
\$1,034,775	\$2,069,550	\$3,104,325	\$4,139,100	\$20,033,244

