

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>74-32 (LS)</b>	Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D., Tina Rose Muña Barnes	AN ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO ENTER INTO A PUBLIC-PRIVATE RENEWABLE ENERGY PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED.	3/26/13 1:55pm	3/26/2013	Committee on General Governmental Operations and Cultural Affairs	5/13/13, 2:00pm	9/19/13 2:00 p.m.	<b>Fiscal Note Requested 3/28/13 8:49 a.m.</b> <b>Fiscal Note Received 04/02/13 11:04 a.m.</b>



September 12, 2013

The Honorable Judith T. Won Pat  
Speaker  
*I Mina' Trentai Unu Na Liheslaturan Guahan*  
32<sup>nd</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96910

VIA: The Honorable Rory J Respicio  
Chairperson, Committee on Rules

RE: Committee Report on Bill No. 74-32 (LS)

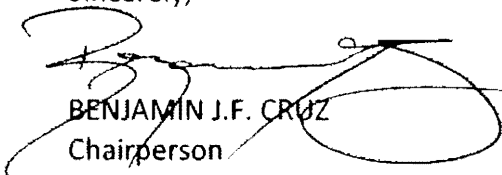
Dear Speaker Won Pat:

Transmitted herewith is the Report of Committee on General Government Operations and Cultural Affairs on Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

Committee votes are as follows:

<u>6</u>	TO DO PASS
___	TO NOT PASS
<u>4</u>	TO REPORT OUT ONLY
___	TO ABSTAIN
___	TO PLACE IN INACTIVE FILE

Sincerely,

  
BENJAMIN J.F. CRUZ  
Chairperson

2013 SEP 19 PM 2:00 W



## COMMITTEE REPORT

ON

**Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.**



September 11, 2013

**MEMORANDUM**

**TO: All Members**

**FROM: Vice Speaker Benjamin J.F. Cruz  
Committee on General Government Operations and Cultural Affairs**

**SUBJECT: Committee Report on Bill No. 74-32 (LS)**

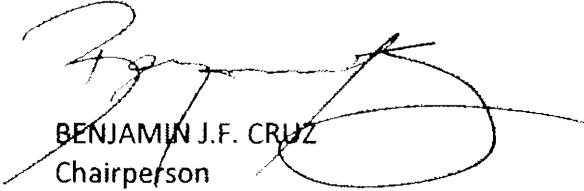
Transmitted herewith for your consideration is the Committee Report on Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Copy of Substitute Bill No. 74-32 (LS)
- Bill No. 74-32 (LS)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- COR Referral of Bill No. 74-32 (LS)
- Fiscal Note Requirement
- Notices of Public Hearing
- Public Hearing Agenda
- Related News Reports

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

Very truly yours,

  
BENJAMIN J.F. CRUZ  
Chairperson



**COMMITTEE VOTING SHEET**

Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
CRUZ, BENJAMIN J.F. Chairperson				9/11/13		
MUÑA BARNES, TINA ROSE Vice-Chairperson		✓				
WON PAT, JUDITH T. Speaker and Ex-Officio Member		9/10/13				
ADA, THOMAS C. Member				9/12/13		
PANGELINAN, C. VICENTE Member						
RESPICIO, RORY J. Member				9/12/13		
RODRIGUEZ, DENNIS G. JR. Member				9/12/13		
SAN NICOLAS, MICHAEL, F.Q. Member						
AGUON, Jr., FRANK B. Member						
ADA, V. ANTHONY Member						
Morrison, Thomas Member		✓				
McCreadie, Brant Member		9.11.13	✓			
YAMASHITA, ALINE Member		✓				



## Committee Report Digest

### I. OVERVIEW

The Committee on General Government Operations and Cultural Affairs convened a public hearing on Monday, May 13, 2013 at 2:00 p.m. in the Public Hearing Room of *I Liheslatura*. Among the items on the agenda was the consideration was Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

### Public Notice Requirements

All legal requirements for public notices were met, with requests for publication sent to all media and all Senators on May 6, 2013, and May 9, 2013 via email. Copies of the hearing notices are appended to the report.

### Senators Present

Vice Speaker Benjamin J.F. Cruz  
Senator Michael Limtiaco  
Senator Vicente C. Pangelinan  
Senator Michael F.Q. San Nicolas  
Senator V. Anthony Ada  
Senator Christopher M. Duenas  
Senator Brant McCreadie  
Senator Thomas Ada  
Senator Aline Yamashita  
Speaker Judith T. Won Pat  
Senator Tina Rose Muña Barnes

The public hearing was called to order at 2:05 p.m.

### II. SUMMARY OF TESTIMONY AND DISCUSSION

Vice Speaker Benjamin J.F Cruz announced Bill No. 74-32 (LS) then deferred to Speaker Won Pat as the



main sponsor.

**Speaker Won Pat** stated that the cost of energy for DOE schools continues to rise despite taking measures to retrofit schools with energy conserving measures and they've performed an energy audit. Speaker Won Pat stated that the superintendent of DOE has recently projected a \$5 million shortfall in its FY 2013 budget due to rate increases in electricity; therefore, Bill 74-32 (LS) was introduced to help DOE address its rising energy costs by entering into a public-private renewable energy purchase agreement with a qualified renewable energy provider.

**Thomas Tanaka, Managing Partner of Pacific Renewable Energy Solutions**, read written testimony in support of Bill No. 74-32 (COR). Mr. Tanaka stated that DOE is unable to pay for the power it consumes. Mr. Tanaka suggested that DOE switch to energy conserving light bulbs and energy efficient air conditioners. Mr. Tanaka asserted that energy conservation of this type will reduce the size of the generating plant that GPA would require.

**Bill Hagen, part owner of Pacific Solar & Photovoltaics Inc.**, read written testimony in support of Bill No. 74-32 (COR). Mr. Hagen stated that in 2008 Governor Camacho signed P.L. 29-62 into law to promote the use of renewable energy and to require that GPA establish renewable energy goals. Mr. Hagen stated that to date GPA's sales of electricity from renewable sources stands at zero while the private sector continues to build renewable capacity that is hampered by P.L. 30-14 that restricts the size of net metering facilities connected to GPA's grid at 25 KW for residential and 100 KW for non-residential installations. Mr. Hagen stated that Bill 74-32 (LS) will help DOE save millions of dollars.

**Jose S. Servino, Servino & Associates**, read written testimony in support of Bill No. 74-32 (LS). Mr. Servino stated that the proposal would allow school children to have an environment that is conducive to learning, allow DOE to continue operating at a limited budget, improve Guam's economy, reduce Guam's use of imported oil, and help meet Guam's energy goals.

**Philip Chao-Li Kao, Automated Energy Systems**, provided oral testimony in support of Bill No. 74-32 (LS). Mr. Kao stated that solar is a great idea that will conserve on the amount of fuel used and it would cut down on greenhouse gases. Mr. Kao stated that the installation of solar equipment requires more regulation and inspections to ensure that the work is done correctly and recommended that GPA be part of the process. Mr. Kao stated government support will bring the cost of renewable energy down because it will increase competition.



**Luis Ting, Automated Energy Systems**, provided oral testimony in support of Bill No. 74-32 (LS). Mr. Ting stated that his company is willing to provide the Government of Guam with a kilowatt system free of charge without a cost to the taxpayers. Mr. Ting stated that his company is willing to help residents pay less for their energy. Mr. Ting stated that savings on power use will help DOE in the long run because they will have more money to hire teachers, buy textbooks, and supplies.

**Speaker Won Pat** asked what role GPA should play regarding the inspection of contracts.

**Mr. Tanaka Managing Partner of Pacific Renewable Energy Solutions**, stated that those involved in the contract should be responsible.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, said there is no impact on GPA because the power is produced where it is consumed. He stated that GPA does not need to review the design of the equipment because the owner is going to make sure it is properly designed, running efficiently and insured. Mr. Hagen said GPA's role is when the system is connected to their grid.

**Mr. Tanaka Managing Partner of Pacific Renewable Energy Solutions**, stated that GPA does review the application and permitting process.

**Speaker Won Pat** asked if GPA should take part in regulating the design of the system.

**Mr. Tanaka Managing Partner of Pacific Renewable Energy Solutions**, stated that the agreement should be between the contracting parties and not GPA because GPA current uses net metering.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, agreed with Senator Tanaka that there is no impact on GPA because the power is produced where it is consumed, which is why they have suggested removing the 100 KW cap. Mr. Hagen said if GPA is responsible for approving the net metering application they should also be in a position to determine the size of the net metering installation on a particular part of their grid to determine the impact of the solar. Mr. Hagen said in terms of whether they should approve the contracts and equipment he does not think that GPA needs to approve the engineering, design, or the equipment. Mr. Hagen stated that in the example of DOE, whoever owns the system, they will make sure it is properly designed, engineered, and insured so GPA's role comes into play when the system is connected to the grid.

**Speaker Won Pat** asked if GPA should regulate the design and installation of solar equipment to ensure that the work is done properly and to mitigate "fly by night" companies.





**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that would be the role of DPW because they would issue a permits and review equipment.

**Luis Ting, Automated Energy Systems**, stated that GPA should be involved regarding the systems and their installation because the size of a large solar system may affect their switchboard and cause fluctuations that may result in blackouts or brownouts.

**Philip Chao-Li Kao, Automated Energy Systems**, stated that professional systems require profession inspections because of their potential to affect GPA and its customers with fluctuations, blackouts, or brownouts.

**Senator Thomas Ada** stated that the bill does not mention GPA, but he asserted that GPA should have a say in the setup as a stakeholder. Senator Tom Ada asked about the kilowatt limit GPA may impose on a solar power facility.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that GPA has the resources and knowledge to determine what type of system may fit properly with their system.

**Luis Ting, Automated Energy Systems**, stated that there is some inconsistency in the information that GPA provides to contractors and customers. He restated his concerns regarding inspections for proper wiring of systems by contractors and requested more regulations to ensure that systems being installed are safe.

**Jose S. Servino, Servino & Associates**, stated that the 100kw limit is not enough to provide energy to a small school, but that with GPA's system they now have a computer that will compute the exact amount of power needed for each facility.

**Philip Chao-Li Kao, Automated Energy Systems**, stated that GPA has installed a smart grid and smart meters. Mr. Chao-Li Kao said that this allows for more renewable energy usage and that this is another reason it is good for GPA to review solar installations. Mr. Chao-Li Kao stated that GPA should review the limitations of 25kw for residential and 100kw for commercial to determine how they can increase their renewable energy capacity.

**Senator San Nicolas** asked what the lifespan is for a Photovoltaic system.



**Luis Ting, Automated Energy Systems**, stated that it varies from company to company, but that his company warranties it for 25 years with a lifespan of 50 years or more.

**Senator San Nicolas** asked if the return on investment is between 5 and 9 years.

**Luis Ting, Automated Energy Systems**, stated that depending on the system, "Yes."

**Phillip Chao-Li Kao, Automated Energy Systems**, stated the government should look into what the warranty will cover including damage from typhoons and tropical storms.

**Senator Brant McCreadie** asked what would happen if the 100kw cap was removed.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that they conducted a sample measuring at GW High School. Mr. Hagen said under existing law they would only be allowed to install six 100kw systems, but that the entire campus could probably handle 900kw; therefore, GW would be stuck with a very small system.

**Senator Brant McCreadie** asked if studies had been done in other jurisdictions on islands comparable to Guam to determine how solar panels are installed and what their power usage is.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that he has not.

**Jose S. Servino, Servino & Associates**, stated that the smart grid system has the capacity to determine what GPA can handle.

**Senator Brant McCreadie** asked if 100kw is enough to power schools.

**Mr. Tanaka Managing Partner of Pacific Renewable Energy Solutions**, stated that the 100kw is not enough to power schools.

**Senator Barnes** asked about the warranty that would come with the system installed.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that the private side would be responsible for installing and maintaining the system to ensure maximum proficiency.



**Senator Limtiaco** asked if language specific to a public private partnership should be added to Bill No. 74-32 (COR).

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that does not have to be the case, but that the RFP that DOE submits will ask for a single number: How much per kilowatt hour?

**Senator Limtiaco** asked if the system would work if there is no power to the facility.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that the system would need power unless it was battery operated.

**Luis Ting, Automated Energy Systems**, reiterated that most systems solar panels have warranties for 25 years and that after 20 years they would replace the panels. He said that other companies have differing warranties.

**Senator Duenas** stated that he has been informed that the schools have a large number of acres in roofs for installation then asked if it is possible to install the panels onto the ground.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that it is possible to put them on the ground, but that it would cost more because a solid infrastructure would need to be built to hold the solar panels in place.

**Luis Ting, Automated Energy Systems**, stated that if a roof is slanted in the wrong way or encumbered by shadows it may not attain the proper amount of solar power needed via exposure from the sun.

**Bill Hagen part owner of Pacific Solar & Photovoltaics Inc.**, stated that DOE should employ a third party to inspect roofs prior to installation.

**Senator Pangelinan** stated that the 100kw concept was to supplement and kick start the solar renewable energy – it was limited to residential and small commercial buildings. Senator Pangelinan stated that they limited it to ensure safety for the residents, small commercial building owners and GPA. Senator Pangelinan said that what this legislation is attempting to do is marry renewable energy with oil based power sources and that they would have to look at how the 100kw's could be expanded, but without creating problems for the existing system in terms of providing proper and equal consumption to all customers.



**John M. Benavente, General Manager, Consolidated Utility Services**, read written testimony in support of Bill 74 (LS), but with concerns that the legislation needs to be clear that Guam Procurement laws and regulations apply to the transaction. Mr. Benavente stated that there should be a threshold set up that the transaction is only feasible if the purchase price of solar is less than 80% of GPA's existing rates because it would be unfortunate if GPA's costs were lowered and Guam's taxpayers were burdened with higher costs than those charged by GPA. Mr. Benavente said that within 90 days from the implementation of the new program, DOE should provide a comprehensive report detailing the amounts paid to GPA, the amounts paid to a private provider, and the amount saved on behalf of the taxpayers of Guam and that the report should be provided to the Guam Legislature and GPA. Mr. Benavente further asserted that GPA has renewable project and that included in the plan is a performance bond to ensure that an agency like DOE receives guarantees that the work is accomplished properly. Mr. Benavente said that the project requires mitigating stability issues with the intermittency of wind and how it will affect the balancing of load and the quality of power to all customers. Mr. Benavente asserted that there are fixed costs within the system. He stated that they would have to look at the projected cost of power 10 to 15 years from now to determine the cost of power needed to provide energy to a system. Mr. Benavente thanked Senator Pangelinan for the explanation regarding the 100kw's then stated that going higher than 100kw should be separate from the discussions for Bill No. 74-32 (LS). Mr. Benavente asserted that he researched Hawaii and their net metering is 10kw for residential and 100kw or commercial so their islands are looking at how they can increase kilowatts while keeping the system safe.

**Steven Muna, Guam Energy Office**, provided written testimony in support of Bill 74 on behalf of Director, Peter S. Calvo. Mr. Muna stated that in keeping with Guam Public Law 17-77, requiring a 10 year alternate energy plan, and to incorporate the U.S. Department of Energy Territorial Energy Assessment/Final Report as an integral part of the Guam Comprehensive Development Plan, the Guam Energy Office supports the intent of this beneficial initiative.

**Speaker Won Pat** asked why they could not approve an expansion of the 100kw.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that when the power provided rises above 100kw then it must be evaluated properly to ensure that surges do not occur. Mr. Benavente asserted that rain clouds block sunlight to solar panels is just one example of a problem that may create power surges. He stated that GPA may need separate legislation to allow for an increase of the 100kw.



**Speaker Won Pat** asked what GPA can do to help the utility cost of DOE?

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that the load required for GW or DOE to power solar panels may affect the rest of GPA's customers; therefore, a study may be needed to determine how increasing 100kw may affect residents and DOE.

**Senator Tom Ada** asked if GPA has conducted any studies related to how much revenue diversion it can withstand before it has to raise rates to pay for its varied bonds.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that no study has been conducted.

**Senator Tom Ada** stated that the diversion of kilowatt hours diverted to a solar project at DOE may cause fiscal problems for other residents if power rates increased. He stated his concerns about how it may affect all residents.

**Senator Pangelinan** asked what will be paid to a contractor.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated 19 cents.

**Senator Pangelinan** stated that the DOE power bill will not be lower – hedging on the fuel, but the total cost to the consumer does not change. Senator Pangelinan asked if GPA wants to limit independent power producers if they compete with GPA.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that they would not be using Liquid Natural Gas for at least 7 years.

**Senator Yamashita** asked who should be orchestrating the entire renewable energy process.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that in terms of renewable energy GPA is responsible for its production and its cost. He stated that regarding DOE, they are willing to assist the agency if they do not hire a contractor. He stated that many elements go into determining the viability of renewable energy from the cost, to increasing the kilowatt hours, and roof space.



**Steven Muna, Guam Energy Office**, stated the GPA should be spearheading the process.

**Senator Limtiaco** asked if GPA has any numbers for renewable energy and how their weighted affect when combined with the transition to liquid natural fuel may influence the overall power rate for comparison.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated they do not have those numbers, but that they could attain them.

**Senator Cruz** noted that throughout the public hearing everyone has been discussing a mandate that by 2015 we should be using a certain amount of alternative energy. Senator Cruz asked if there is an alternative energy system being installed in the new GPA/CCU building that is under construction.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that it would be LEED Certified.

**Senator Cruz** said that he understands it will be LEED Certified, but asked that besides lowering consumption, is there an alternative source energy going to be provided.

**John M. Benavente, General Manager, Consolidated Utility Services**, stated that he does not think so.

**Senator Cruz** thanked the panel for their testimonies and stated that the record will be open for ten days so that residents may submit their testimonies.

### III. FINDINGS AND RECOMMENDATION




The Committee on General Government Operations and Cultural Affairs to which was referred "Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated." hereby submits these findings to *I Mina' Trentai Unu na Liheslaturan Guåhan* and reports out Bill No. 74-32 (LS) with a recommendation TO

*Report out only.*

I MINA TRENDAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) Regular Session

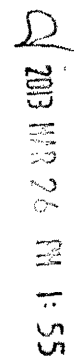
Bill No. 74 31 (LS)

Introduced by:

Judith T. Won Pat, Ed.D.   
Aline A. Yamashita, Ph.D.   
Tina R. Muna-Barnes 

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AN ACT TO AUTHORIZE THE DEPARTMENT OF  
EDUCATION TO ENTER INTO A PUBLIC-PRIVATE  
RENEWABLE ENERGY PURCHASE AGREEMENT  
WITH A QUALIFIED PROVIDER, BY ADDING A  
NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17,  
GUAM CODE ANNOTATED.

  
2013 MAR 26 PM 1:55

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan*  
3 finds that the cost of electricity provided by the Guam Power Authority  
4 (GPA) continues to rise as the price of oil, worldwide, correspondingly  
5 increases. GPA is totally dependent on oil for the production of electricity  
6 for consumers. Such dependence has resulted in rate increases in the form  
7 of increased fuel surcharges.

8 *I Liheslatura* finds that although GPA is currently only able to  
9 produce electricity using oil-powered generators, the agency entered into a  
10 public-private renewable energy purchase agreement with a qualified

1 renewable energy provider. Local media report that the provider is  
2 expected to develop solar/wind turbine technology renewable resource  
3 with a capacity of 15 megawatts or approximately 10 wind turbines and 5  
4 solar panels for a 20 and 25 year contract terms with a guaranteed energy  
5 production and fixed price per contract year. The output of renewable  
6 power onto GPA's power grid will serve nearly 2,200 homes.

7 *I Liheslaturan Guåhan* finds that a private school in Guam recently  
8 entered into a 25-year agreement with a renewable energy provider. The  
9 school expects to pay 23 cents per kilowatt-hour for the first year. GPA  
10 currently charges 29 cents per kilowatt-hour for residential customers, 32  
11 cents per kilowatt-hour for mid-size commercial customers, and 34 cents  
12 per kilowatt-hour for large commercial customers. Approximately 50% of  
13 the school's power needs, or 100 kilowatt-hours, will be generated by new  
14 solar panels that were paid for, and installed by, a renewable energy  
15 provider through a power purchase agreement.

16 *I Liheslatura* further finds that the Superintendent of Education has  
17 publicly stated in recent media interviews that the Department of  
18 Education (DOE) projects an approximately \$5 million shortfall in its FY  
19 2013 budget due to rate increases for electricity. It is, therefore, the intent  
20 of *I Liheslaturan Guåhan* to assist DOE in addressing the rising cost of  
21 electricity. *I Liheslatura* intends for DOE, which is made up of 41 schools, to  
22 enter into a public-private renewable energy purchase agreement with one



1 or more qualified renewable energy providers, by adding a new §7120 to  
2 Chapter 7 of Division 2, Title 17, Guam Code Annotated.

3 **Section 2.** A new §7120 is hereby added to Chapter 7 of Division 2,  
4 Title 17, Guam Code Annotated, to read:

5 **“§7120. Public-Private Renewable Energy Purchase Agreement(s)**  
6 **Authorized.**

7 The Department of Education (Department) is hereby authorized to  
8 solicit, from qualified renewable energy providers, proposals for the  
9 installation and maintenance of renewable energy technology which shall  
10 include, but not be limited to, solar power technology. The Department is  
11 further authorized to enter into a renewable energy purchase agreement(s)  
12 with a qualified renewable energy provider(s), in the event such  
13 provider(s) is able to meet the department’s energy requirements in  
14 accordance with Guam’s laws, rules and regulations, for a term of up to  
15 twenty-five years. The renewable energy provider(s) selected shall be  
16 responsible for all costs required to install and maintain such renewable  
17 energy technology at DOE schools and facilities.”

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
2013 (FIRST) Regular Session

**Bill No. 74-32 (LS)**

**Introduced by:  
As Substituted by the Committee on  
General Government Operations and  
Cultural Affairs**

Judith T. Won Pat, Ed.D.  
Aline A. Yamashita, Ph.D.  
Tina R. Muna-Barnes

**AN ACT TO AUTHORIZE THE GUAM DEPARTMENT OF EDUCATION TO ENTER INTO A RENEWABLE ENERGY POWER PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED, TO ADD §8502 (2)(C) OF TITLE 12 GUAM CODE ANNOTATED RELATIVE TO RAISING THE NET METERING CAP FOR GUAM POWER AUTHORITY PUBLIC SCHOOL CUSTOMERS UNDER THIRD PARTY OWNED SOLAR ENERGY SYSTEM.**

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that the cost of electricity provided by the Guam Power Authority (GPA) continues  
4 to rise as the price of oil, worldwide, correspondingly increases. GPA is totally  
5 dependent on oil for the production of electricity for consumers. Such dependence  
6 has resulted in rate increases in the form of increased fuel surcharges.

7        *I Liheslatura* finds that although GPA is currently only able to produce  
8 electricity using oil-powered generators, the agency entered into a public-private  
9 renewable energy purchase agreement with a qualified renewable energy provider.

1 Local media report that the provider is expected to develop a renewable resource  
2 with a capacity of 25.65 megawatts in photovoltaic electrical power under a 25  
3 year contract with guaranteed energy production and a fixed price per contract  
4 year. The output of renewable power onto GPA's power grid will serve nearly  
5 2,200 homes.

6 *I Liheslaturan Guåhan* finds that a private school in Guam recently entered  
7 into a 25-year agreement with a renewable energy provider. The school expects to  
8 pay 23 cents per kilowatt-hour for the first year. GPA currently charges 29 cents  
9 per kilowatt-hour for residential customers, 32 cents per kilowatt-hour for mid-size  
10 commercial customers, and 34 cents per kilowatt-hour for large commercial  
11 customers. Approximately 50% of the school's power needs, or 100 kilowatt-  
12 hours, will be generated by new solar panels that were paid for, and installed by, a  
13 renewable energy provider through a power purchase agreement.

14 *I Liheslatura* further finds that the Superintendent of Education has publicly  
15 stated in recent media interviews that the Department of Education (DOE) projects  
16 an approximately \$5 million shortfall in its FY 2013 budget due to rate increases  
17 for electricity. It is, therefore, the intent of *I Liheslaturan Guåhan* to assist DOE in  
18 addressing the rising cost of electricity. *I Liheslatura* intends for DOE, which is  
19 made up of 41 schools, to enter into a solar power purchase agreements with  
20 qualified providers, by adding a new §7120 to Chapter 7 of Division 2, Title 17,  
21 Guam Code Annotated. *I Liheslatura* further intends to increase the net metering  
22 cap, which allows public schools under third party solar power system ownership  
23 to feed electricity into the grid in an equal exchange for retail power.

24 **Section 2.** A new §7120 is hereby added to Chapter 7 of Division 2, Title  
25 17, Guam Code Annotated, to read:

26 **“§7120. Renewable Energy Power Purchase Agreement.**

1 (a) The Guam Department of Education (GDOE) *may* enter into a solar  
2 power purchase agreement to purchase solar energy from a qualified provider for a  
3 period up to and not exceeding twenty five (25) years. Such qualified provider  
4 *shall* be selected thru a public bid conducted by the General Service Agency  
5 (GSA) in accordance with the Procurement Law of Guam. The qualified provider  
6 for each school/campus *shall* be selected from a public bid conducted for each  
7 school.

8 (b) GDOE and GSA *may* seek consultation from the Guam Power Authority,  
9 Guam Energy Office, the Department of Public Works and the Guam Renewable  
10 Energy Association in implementing this Section, the consultation *shall* be at no  
11 cost to GDOE and GSA.

12 (c) In concert with GDOE the selected qualified providers *shall* review  
13 historical power needs, such as the past twelve (12) months of power consumption,  
14 of the selected schools and provide the maximum sized photovoltaic renewable  
15 energy safely allowed by roof size, building orientation and location, and other  
16 physical conditions which may effect the safe and effective size of the photovoltaic  
17 system. In no case *shall* the system be sized to produce power in excess of the  
18 needs of the specific building or campus as recorded during the previous twelve  
19 (12) months.

20 (d) The qualified provider *shall* pay for the design, financing, permitting,  
21 insurance, installation, monitoring and maintenance of the system and *shall* own  
22 and operate the system located on GDOE's facility for the life of the contract at no  
23 cost to GDOE or the Government of Guam.

24 (e) The qualified provider must be doing business in Guam for at least one  
25 (1) year with a valid Guam business license.

26 (f) The qualified provider *shall* be experienced in designing, implementing  
27 and installing solar energy systems, have a record of established projects,

1 demonstrate technical, operational, financial and managerial capabilities to design  
2 and operate the solar energy system.

3 (g) The qualified provider *shall* provide power at an initial rate of not more  
4 than eighty percent (80%) of Guam Power Authority's billing rate to the selected or  
5 campus as determined by the most recent utility invoice for that selected building,  
6 school or campus. Escalation of rates for years two (2) thru twenty five (25) *shall*  
7 be determined and set in advance. At no time *shall* the qualified provider produce  
8 power in excess of the needs of the designated school/campus, based upon annual  
9 consumption of the designated school/campus.

10 (h) The qualified provider *shall* work with the contractor responsible for the  
11 existing school roof's warranty to insure said warranty is not voided with the  
12 installation and operation of the solar energy system.

13 (i) The qualified provider, or the contractor responsible for the roof's  
14 warranty, *shall* perform repairs to any portion of the roof damaged during the  
15 installation of the solar energy system and *shall* maintain those repairs for the  
16 duration warranty or the contract, which ever is the shortest.

17 (j) Every year, on the anniversary of the date of the commissioning of the  
18 solar energy system, the qualified provider *shall* report to the GDOE on the  
19 production for the previous year comparing rates charged by the qualified provider  
20 against rates being charged by the utility detailing the savings for the previous  
21 year. GDOE *shall* transmit a copy of this report to *I Liheslaturan Guahan*.

22 (k) The qualified provider *shall* not extinguish its obligations under the  
23 agreement by assigning it to another company without the approval of the Guam  
24 Board of Education, which will not be unreasonably withheld.

25 (l) Upon the expiration of the contract the solar energy system *shall* be  
26 turned over to GDOE in good working order at no cost to GDOE or the  
27 Government of Guam.

1 (m) The agreement *shall* include a provision which will impose a monetary  
2 fine per day for each day beyond the agreed date that the qualified provider  
3 promises to implement the solar energy system. The provisions in this section *shall*  
4 not apply in the case of force majeure to the extent of delays caused by such force  
5 majeure. The provisions of this subsection cannot be waived. Said monetary fine  
6 shall be deposited into the *Y Kuantan Salåppe' Prinsepåt* fund and shall be used  
7 for the school where the implementation of the solar energy system is delayed.

8 **Section 3. a new §8502 (2)(C) of Title 12, Guam Code Annotated is**  
9 **hereby added to read as follows:**

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

13 (A) not exceed twenty-five (25) kilowatts for Guam Power Authority  
14 residential class customers; ~~and~~

15 (B) not exceed one hundred (100) kilowatts for Guam Power Authority non-  
16 residential class customers; and

17 (C) Guam Power Authority public school customers under third party owned  
18 solar energy power systems may exceed net metering capacity limitation as long as  
19 there is no demonstrated adverse impact on Guam Power Authority's transmission  
20 and distribution system.



**PUBLIC HEARING SIGN-IN SHEET**

Monday, May 13, 2013 – 2:00PM

*I Liheslatura* • Public Hearing Room • Hagatña, Guam

Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

NAME	AGENCY OR ORGANIZATION	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	PHONE NUMBER	EMAIL ADDRESS
John Benavente	GPA	Support	Yes	Yes		
Gracian Bostler	GPA	Support		Yes		
John Cruz	GPA	Support		Yes		
Bill Hagerty	Pac Solar	"	Yes	Yes		
TOM TOMAKA	PPES	"	"	"		
Jose S. Servino, P.E.	Servino & Assoc	Support	"	"	482-9919	Jservinoj@yahoo.com
STEVEN MUNA for	Guam Energy DE	"	#/		888-7726	
PETER CALVO	"	"	"		888-4717	
Philip Chao-Li Kao	AES / UNSW	Support		Yes	929942	z3160691@unswalumni.c
LOIS TING	AES	Support	NO	YES	777-6116	luisting@msn.com
NAME	AGENCY OR	SUPPORT?	WRITTEN	ORAL	PHONE	EMAIL ADDRESS



# Guam Contractors Association

May 13, 2013

I Mina'trentai Dos Na Liheslaturan Guåhan  
155 Hesler Place  
Hagåtña, Guam 96910

Hafa Adai Vice Speaker Cruz:

The Guam Contractors Association and its Board of Directors support authorizing the Department of Education to enter into Public-Private Renewable Energy Purchase Agreements with Qualified Providers as set forth in Bill 74-32.

We believe this provision will allow substantial cost savings for the Department of Education without negatively impacting cash flow, since the cost of implementation will be borne by the private sector service provider.

We advise two amendments to this draft legislation:

1. Allow for multiple providers of such services
2. Stipulate that the service provider(s) shall be locally based in order to provide necessary operation and maintenance for the full life of the agreement

Thank you for considering our opinion on this important bill.

Sincerely,

Tom Anderson  
Board Chairman

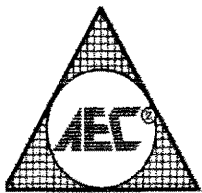
James Martinez  
President

cc: Speaker Won Pat

*A Proud Member*







**Servino & Associates, Inc. dba**  
**ADVANCED INNOVATIVE ENERGY SOLUTIONS**  
 ENERGY, ELECTRICAL & TELECOMMUNICATIONS ENGINEERING & SALES



**STATEMENT of**  
**Jose S. Servino, PE**  
**May 13, 2013**

Honorable Senators:

I am pleased to submit the following statement for the record.

I wholeheartedly support Bill No. 74-32 that will authorize Dept of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider.

It will allow our schoolchildren to have a continuing conducive environment for learning.

It will allow the DOE to continue operating with their limited budget.

It will improve Guam's economy by enhancing private business to grow and employ people.

It will reduce Guam's use of imported oil and reduce carbon emission.

It will help meet Guam's energy goal for renewable energy use.

I would like to recommend that the following be investigated and added in this or other bills:

1. Reduction of energy consumption by conservation and use of energy management system/equipment, installation of high reflective roof coatings, installation of reflective coatings on windows and walls, installation of insulated double pane windows, use of fans and dehumidifiers to enhance comfort where possible, use of solar thermal water heating and other energy saving equipment.
2. Inclusion of other GovGuam buildings in public-private renewable energy purchase agreement.
3. Increasing the 100 kW renewable energy limit to a higher limit.
4. Providing additional renewable energy tax incentives and rebates to promote more business to startup and grow. One form is a GRT energy rebate/credit. Another is additional energy tax credit similar to the federal energy tax credit.

Thank you for your kind stewardship for the people of Guam.

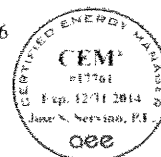
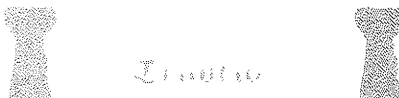
Sensaramente,

Jose (Joe) S. Servino, PE'77, CEM'11, QCP, NE, EE, MBA  
 President/CEO

Member NSPE, IEEE, AEE, RI, JCI Senator, GCC,CCC,SAME,AFCEA, ASHRAE  
 E'59,ET'60,FDMS'62VAL,BSEE'65,NE'67,MBA'75, DCMS '86, DMCM'95



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 SAIPAN OFFICE: San Jose Village Tammowoorra Ave.P.O.Box 505000, Saipan, MP 96950;Tel/Fax: (670) 235-5073  
 E-mail: advancedengg@yahoo.com / servinoj@yahoo.com; Cell: (671)898-4385





# DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT



www.gdoe.net

P.O. Box D.E., Hagatña, Guam 96932

Telephone: (671)475-0457 or 300-1547/1536 • Fax: (671)472-5001

Email: jonfernandez@gdoe.net

**JON J. P. FERNANDEZ**  
Superintendent of Education

May 10, 2013

Honorable Judith T. Won Pat, Ed.D  
Speaker, 32<sup>ND</sup> Guam Legislature  
Chairperson, Committee on Education, Public Library and Women's Affairs  
155 Hesler Place  
Hagatna, GU 96932

Dear Speaker Won Pat,

Thank you for allowing me to provide testimony on **Bill No. 74-32**, an act authorize the Department of Education to enter into a public-private renewable energy purchase agreement with a qualified provider by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated. This legislation, if passed and signed into law by the Governor, will allow the Guam Department of Education ("GDOE") to solicit for and enter into renewable energy purchase agreements for a term of up to twenty-five years.

As the Superintendent of Education, I recognize the need to be responsible with our spending. GDOE had a power bill of \$14.46 million in FY 2012. As a result, I directed all of our site managers (i.e. – principals and division heads) to actively identify ways to conserve energy use at their facility. I have also tasked our Business Office to set up a quarterly comparison of consumption and billing between FY 2012 and FY 2013.

Unfortunately, despite the conscientious effort of reducing our power consumption, GDOE continues to experience an increase in our billings. For example, GDOE's consumption for the first half of the Fiscal Year 2013 shows our kilowatt hour usage decreased by nearly 1,361,340 kwh (-5.99%) compared to the first half of FY 2012, but our billing increased by nearly \$174,000 (2.4%).

As the Superintendent of Education, there are three (3) key components that GDOE supports. First, GDOE supports any initiative that would reduce energy costs and I am committed to putting the total savings back into the classrooms and school sites to improve the services and infrastructure for our students. Second, GDOE supports the use of alternative energy to improve the sustainability of our island. Lastly, GDOE welcomes the opportunity to provide our students with first hand experiences in learning about alternative energy as part of our curriculum.

GDOE will continue to listen to the expertise of both our public and private partners that can offer solutions to reducing energy costs. Thank you for this opportunity to submit the testimony. Please feel free to contact me with any further questions or comments.

*Senseramente,*



**JON J. P. FERNANDEZ**

Public testimony on 74-32

May 13, 2013

2:00 PM

My name is Bill Hagen and I am a part owner of Pacific Solar & Photovoltaics Inc. I have lived on Guam since 1965; all my children live here, all my grandchildren live here and someday I expect my great grandchildren will also live here. Our company installed Guam's first net metering installation in 2009 and we have continued to remain active in the market. Thank you for allowing me to testify.

In April, of 2008, 5 years ago, then Governor of Guam, Felix P. Camacho, signed PL 29-62 promoting the use of renewable energy and requiring the Guam Power Authority to establish renewable energy goals. According to this law GPA's first goal to be met is that 5% of its electricity sales, by the year 2015 are to come from renewable sources. This same law required GPA to immediately implement a net metering rate structure. This net metering rate, and the application process, were put into place the following year in February.

To date, GPA's sales of electricity from renewable sources stands at zero while the private sector continues to build renewable capacity hampered only by PL 30-14 signed into law in May of 2010. This law restricts the size of net metering facilities connected to GPA's grid at 25 KW for residential and 100 KW for non-residential installations. This same law forbids a net metering customer from aggregating their meter readings while allowing GPA to add this private sector capacity to their renewable portfolio without actually selling the electricity.

The private sector continues to install net metering renewable energy systems on homes, commercial buildings and private schools. The Guam Community College and the University have also installed, and continue to install, renewable energy systems at their facilities. Tomorrow the Archdiocese of Agana will become Guam's largest consumer of photovoltaic renewable energy. The passage of Bill 74-32, allowing our Department of Education to enter into Power Purchase Agreements (PPA) with private power producers will go a long way toward helping GPA meet their mandated goals while saving our school system \$ Millions now and in the future.

The Department of Education allowed us access to the campus at George Washington High School, one of the largest schools, to do preliminary measurements. We believe that this one campus alone could produce 1,655,016 Kilowatt hours of renewable electricity per year on their multiple roofs, (the equivalent of 137 homes consuming 1,000 Kwh per month). The savings could be as high as \$100,000 the first year with cumulative savings at \$12 Million over 25 years. This system would be 9 times larger than the one at St. Francis School in Yona. Also, if GW were allowed to max out their roof with photovoltaic modules Guam would save \$343,000 in foreign fossil fuel payments the first year.

By removing the size limitations on all net metering systems, allowing for the aggregation of meter readings for a single customer and by passing this bill renewable energy, especially photovoltaics would blossom on Guam. Jobs would be created, foreign fossil fuel payments would be reduced, GPA would come closer to meeting their mandated goal and the Department of Education would save in utility costs.

All this can be accomplished at no cost to The Department of Education and no cost to the Government of Guam.

Thank you for your attention

William H Hagen



*LED Lighting*

*Solar*

*Wind*

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Good Afternoon Senators,

My name is Thomas Tanaka, Managing Partner of Pacific Renewable Energy Solutions, Inc. (PRES). I am here to testify on Bill 74-32 (LS) An Act to authorize the Department of Education to enter into a Public Private Renewable Energy Purchase Agreement with a qualified provider by adding a new Section 7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

Today's PDN headline indeed supports the implementation of the intent of the measure. I need not go through a litany justifying the need to implement the intent of this measure. The Department is unable to even pay for the energy it now consumes. The Department has to find ways to pay for the GPA obligations, since we have seen that the alternative is unacceptable.

The headline today is a chilling foreboding of future increases in power bill, people are cutting down as much as possible to reduce their energy cost. However, judging from today's story there is no way for us to effectively cut down our use to keep up with the projected increases mandated by both increase in future fuel costs and mandates of the Federal Government of approximately 500 millions to convert to natural gas. I checked my power bill today, and of the .30 pkW hour, .21 pkW is for fuel adjustment. I am not sure what additional burden will be added on as a result of the natural gas conversion mandate? It would be interesting to find out what would the bottom line the people of Guam will be paying in power bills as a result of this measure?

One of the suggestion I would like to offer is that DOE and other government agencies look for other areas to reduce their consumption. The Department has to begin to change out their outdated lighting to the new energy efficient lights that can reduce their consumption by up to 60%. They also need to convert to energy efficient air conditioners. It may seem expensive, but the cost of investment can be recovered in a few years and the savings would be substantial. The reduce demand will in turn reduce the size of the generating plant that GPA would require since they would need to produce less energy to meet the needs. Taking into account the energy savings measures suggested above will also greatly reduce the cost and size of the photovoltaic system needed. Literally savings thousands of dollars in the size of the equipment needed.



*LED Lighting*

*Solar*

*Wind*

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I recommend that this legislation be expanded to other entities of the government, the need for savings extend beyond the Department of Education to all the other Departments and Entities of our Guam Government.

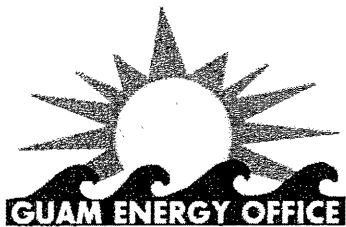
I would also recommend to the Committee that you look into incentives that can entice not only the Departments, but also residential and commercial entities to install photovoltaic, wind turbines, thermal systems and one way that can attract them to invest would be to consider in addition to the "net metering" a Feed in Tariff (FIT) provision wherein any excess production of energy can that is fed back to GPA grid will be paid by GPA. This way GPA can have several hundred energy producers reducing their cost of investment and size of generating capacity as well as interest costs. Hawaii and several other states have this type of tariff in place.

What we have discovered is that people would like to invest in these systems, but the costs is expensive and takes approximately 9 years to get a return of investment for the purchase of a solar photovoltaic system inclusive of the 30% tax credits. So obviously the Government need to develop incentives to encourage the development of alternative renewable energy solutions to ease the energy costs for Guam . Herein lies our challenge and we are willing to partner with the government to find solutions.

Thank You

  
Thomas Tanaka

Testimony submitted by Thomas Tanaka  
May 13, 2013



# GUAM ENERGY OFFICE

*Ufisinan Alentos Guåhan*

Eddie Baza Calvo • Governor  
Ray Tenorio • Lt. Governor  
Eric M. Palacios • Administrator  
Peter S. Calvo • Director

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## MEMORANDUM

TO: Speaker, 32<sup>nd</sup> Guam Legislature

From: Director, Guam Energy Office

SUBJECT: Support of Bill 74-32, An Act to Authorize the Department of Education to Enter into a Public-Private Renewable Energy Purchase Agreement with a Qualified Provider.

In keeping with Guam Public Law 17-77, requiring a 10 year alternate energy plan, and to incorporate the U.S. Department of Energy Territorial Energy Assessment/Final Report as an integral part of the Guam Comprehensive Development Plan, the Guam Energy Office supports the intent of this beneficial initiative. Furthermore, this measure is in line with the Guam Energy Task Force Goal to reduce the use of fossil fuels on Guam by 20% through the year 2020, 20 x 20.

Indeed, with the recent success at the private school, there is good sound rationale to mirror this benefit for the public schools as well. However, why stop there? All public buildings and organizations capable of reducing their dependency on fossil fuels and save money should be able and even encouraged to do so. This bold initiative may inspire the commercial sector to increase their activity in conservation, efficiency and ultimately in renewables. This may also activate the residential sector as well giving a big boost to the 20 x 20 goal. Certainly, having the active participation of all sectors will benefit the island and help in reaching our goal.

Notwithstanding, this initiative should not affect any grants, donations and or otherwise any method of providing benefit to the people of Guam. The ultimate goal is to reduce Guam's dependency on fossil fuels, allowing Guam to become more self-sustaining and thus less vulnerable to outside circumstances. Finally, all activity should be worked out with GPA to allow an integration of sources that are functional and compatible.

Thank you for addressing this beneficial concept and providing the people of Guam alternatives to power their lives.

Peter S. Calvo



# GUAM POWER AUTHORITY

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

May 13, 2013

The Honorable Benjamin J.F. Cruz  
Vice-Speaker  
32<sup>nd</sup> Guam Legislature  
Suite 107  
155 Hesler Street  
Hagatna, GU 96910

Dear Vice-Speaker Cruz:

Thank you for giving the Guam Power Authority an opportunity to testify on Bill 74-32, an act to authorize the Department of Education to enter into a public-private renewable energy purchase agreement.

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 and is in the process of procuring an additional 45,000 KW within the next year. These projects will benefit all ratepayers.

We support net metering projects as established by law, which are projects similar to those proposed in this bill.

We have a few concerns with the Bill 74-32 as written:

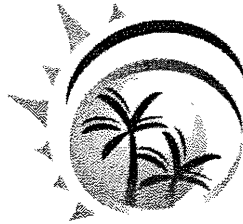
- 1) The legislation needs to be clear that Guam Procurement laws and regulations apply to this transaction.
- 2) We believe there should be a threshold set up that the transaction is only feasible if the purchase price of solar is less than 80% of GPA's existing rates. GPA is constantly seeking opportunities to lower costs and it would be unfortunate if GPA's costs were lowered and Guam taxpayers were burdened with higher costs than those charged by GPA.
- 3) We believe that within 90 days from the implementation of the new program, the Department of Education should provide a comprehensive report detailing the amounts paid to the Guam Power Authority, the amounts paid to the private provider, and the amounts saved on behalf of the taxpayers on Guam. This report should be provided to the Guam Legislature and the Guam Power Authority to help us make better informed decisions regarding future renewable energy projects.

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

Yours truly,

**John M. Benavente, P.E.**  
General Manager, Consolidated Utility Services





**MICRONESIA**  
RENEWABLE ENERGY INC.

5/10/2013

Dear Committee Members,

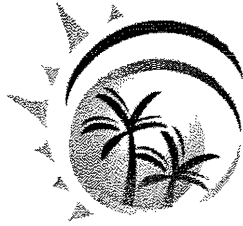
Thank you for allowing me to address the committee and speak on behalf of this monumental Bill number 74 being introduced today. This Bill introduces true progress for Guam on the Renewable energy front that the World has now grasped as a natural progression of energy technology. This Bill not only enables the Guam Department of Education the opportunity to lower its energy costs providing more monies on where there are needed in the school system this will also allow the GBOE the opportunity to hedge their energy costs for the next 25 years.

GPA will also benefit from the Bill being passed whereas this greatly helps GPA add renewable energy to their mandated renewable energy portfolio.

This Bill is also a win to the Guam community as this helps establish Guam's renewable energy industry creating opportunities within the local labor force by providing specialized training and employment in the Renewable energy Industry. This Bill will add significant monies back to the community of Guam while showing the world Guam's commitment to reduce our dependence on foreign oil and the commitment to a clean low carbon Island.

I also believe that this Bill if passed will be a major start in educating our children on the importance of renewable energy and the conservation of our natural resources.

The Sun is the oldest source of energy on earth. Guam is blessed with this abundant natural resource and with the economies of scale and the reduction in this technology it has finally come time where solar energy is affordable, safe, reliable, and profitable and the Guam



# **MICRONESIA**

RENEWABLE ENERGY INC.

Department of Education should be able to take advantage of this technology.

The Renewable Energy Industry has come a long way over the last 60 years since the first solar cells were introduced in Bell Laboratories in 1953 in New Jersey. Last year 2012 50% of all energy that was added to the Continental US grid was renewable energy, and the 1<sup>st</sup> Quarter 2013 87% of all energy added to the grid was renewable energy. These are incredible numbers.

It is time for this monumental Bill to be passed!

137 Birandan Juan C. Tenorio Street  
Dededo, Guam 96929  
(617) 632-2613  
[www.micronesiarnewableenergy.com](http://www.micronesiarnewableenergy.com)



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guahan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
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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.  
Member

Vice-Speaker  
Benjamin J.F. 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

March 29, 2013

VIA FACSIMILE  
(671) 472-2825

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

RE: Request for Fiscal Note – Bill Nos. 70-32(COR), 71-32(COR), 72-32(LS), 73-32(LS), 74-32(LS), and 75-32(LS)

*Häfa Adai* Mr. Rios:

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

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

Very Truly Yours,

Senator Rory J. Respicio  
*Chairperson, Committee on Rules*

Attachments

Cc: Clerk of the Legislature

2013 MAR 28 AM 8:49  
*WR*

Bill Nos.	Sponsor	Title
70-32 (COR)	V.A. Ada	AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 32 OF 5GCA RELATIVE TO GIFT CARDS AND GIFT CERTIFICATES.
71-32 (COR)	V.A. Ada	AN ACT TO REPEAL PARAGRAPH (34) OF §26203 OF CHAPTER 26 OF 11GCA RELATIVE TO BUSINESS PRIVILEGE TAX EXEMPTIONS.
72-32 (LS)	V. Anthony Ada	AN ACT TO ADD A NEW §2228 TO CHAPTER 22 OF 15GCA RELATIVE TO INCLUDING DIGITAL ASSETS IN A DECEDENT'S ESTATE.
73-32 (LS)	D.G. RODRIGUEZ, JR. B.J.F. CRUZ A. YAMASHITA, Ph.D M. LIMTIACO	AN ACT TO RENAME THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE (DMHSA), TO THE "GUAM BEHAVIORAL HEALTH CENTER" (GBHC), BY AMENDING CHAPTER 86 OF TITLE 10, GUAM ANNOTATED, AND TO ALLOW FOR CHANGES TO OTHER RELEVANT LAWS AS NECESSARY SOLELY FOR CONSISTENCY WITH THE AGENCY'S NAME CHANGE.
74-32 (LS)	Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D., Tina Rose Muña Barnes	AN ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO ENTER INTO A PUBLICPRIVATE RENEWABLE ENERGY PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED.
75-32 (LS)	T.R. Muña Barnes, M.F.Q. San Nicolas, B.T. McCreadie	AN ACT TO A NEW ARTICLE 8 TO CHAPTER 3 OF TITLE 16 GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING AGGRESSIVE PANHANDLING AND PANHANDLING AT SPECIFIED LOCATIONS IN GUAM TO BE KNOWN AS THE "AGGRESSIVE PANHANDLING ACT OF 2013".



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guahan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [voryforguam@gmail.com](mailto:voryforguam@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.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

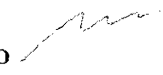
Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

April 2, 2013

## Memorandum

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

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

**Subject:** Fiscal Notes

*Hafa Adai!*

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

### FISCAL NOTES:

Bill Nos.: 1-32 (LS) and 74-32 (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'!*

2013 APR -2 AM 11:04  


**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO  
GOVERNORJOHN A. RIOS  
DIRECTORRAY TENORIO  
LIEUTENANT GOVERNOR

APR 01 2013

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 01-32(LS), and 74-32(COR).

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

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS  
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 74-32**

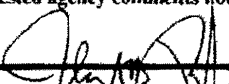
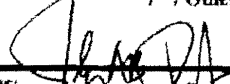
**AN ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO ENTER INTO A PUBLIC -PRIVATE RENEWALBE ENEGY PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Department of Education	Dept./Agency Head: Jon Fernandez, Superintendent of
Department's General Fund (GF) appropriation(s) to date:	184,627,406
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund, Territorial Education Facilities Fund	31,535,708
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$216,163,114</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance <sup>1</sup>		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2013 (if applicable)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Analyst:  Date: 4/1/13 Director:  Date: 4/1/13  
John AB Pangelinan, Acting Deputy Director John A. Rios, Director

Footnotes:  
Please see attached comment sheet

**Comments on Bill No. 74-32 (LS)**

The proposed legislation is seeking to authorize the Guam Department of Education (GDOE) to enter into a public-private renewable energy purchase agreement with a qualified provider. The intent of this proposed legislation is to encourage GDOE to seek such agreement so that its annual power cost would be reduced by 50%. To initiate such agreement and authorization, a new Section 7120 is also being proposed for such authorization. This proposed section of this bill is also requiring that the renewable energy provider will be responsible for all cost to install and maintain such renewable technology; however, it is silenced to the investment cost of solar power technology and/or wind technology. To obtain the level of 50% of power self-sufficiency for 41 schools would require hundreds of thousands or millions of dollars that currently are not budgeted in FY 2013 or not included in the Governor's Executive Budget Request for FY 2014. Such legislation when passed would provide the authorization, but not the funding required to obtaining the necessary materials and equipment to implement such power cost saving utility program.





## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature

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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

March 26, 2013

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

### MEMORANDUM

Senator  
Vicente (Ben) C. Pangelinan  
Member

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

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

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

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

Senator  
Dennis G. Rodriguez, Jr.  
Member

**Subject:** **Referral of Bill No. 74-32(LS)**

Vice-Speaker  
Benjamin J.F. Cruz  
Member

As the Chairperson of the Committee on Rules, I am forwarding my re referral of Bill No. 74-32(LS).

Legislative Secretary  
Tina Rose Muña Barnes  
Member

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*.

Senator  
Frank Blas Aguon, Jr.  
Member

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

Senator  
Michael F.Q. San Nicolas  
Member

*Si Yu'os Ma'åse!*

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Attachment

Senator  
Aline Yamashita  
Member

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	STATUS
74-32 (LS)	Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D., Tina Rose Muña Barnes	AN ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO ENTER INTO A PUBLIC-PRIVATE RENEWABLE ENERGY PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED.	3/26/13 1:55pm	3/26/2013	Committee on General Governmental Operations and Cultural Affairs			



May 6, 2013

**MEMORANDUM**

**To:** All Members/All Senators  
**From:** Chairman, Committee on General Government Operations and Cultural Affairs  
**Re:** First Notice of Public Hearing – Five Day Notice – May 13, 2013

*Hafa Adai!* Please be advised that the Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing on **Monday, May 13, 2013, beginning at 2:00PM in I Liheslatura's Public Hearing Room** with the following agenda:

**Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes** - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

**Bill No. 102-32 (COR) - B.J.F. Cruz** - An act to amend §4402 of Chapter 4, Title 4, Guam Code Annotated, relative to the meetings of the Civil Service Commission.

**Bill No. 103-32 (COR) - B.J.F. Cruz** - An act to amend Section 14 of Chapter XII, of Public Law 31-233, relative to the stipends of the Civil Service Commission.

Please provide written testimonies at least one day prior to the hearing to the Office of Vice Speaker Benjamin J.F Cruz, 155 Hesler Place, Hagåtña Guam 96910. They may be sent via facsimile to 477-2522, or via email to [mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com).

We comply with Title II of the Americans with Disabilities Act (ADA). Should you require assistance or special accommodations, please contact Mike Lidia at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via email at [mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com).

Senseramente,

Mike Lidia  
Committee Director  
Office of Vice Speaker Cruz  
477-2520



Mike Lidia <mike.lidia@senatorbjcruz.com>

---

## First Notice of Public Hearing – Five Day Notice – May 13, 2013

3 messages

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Mike Lidia <mike.lidia@senatorbjcruz.com>

Mon, May 6, 2013 at 11:00 AM

To: phnotice@guamlegislature.org, mdroberto@gdoe.net, Tony Lamorena <alberto.lamorena@csc.guam.gov>, jonfernandez@gdoe.net, superintendent@gdoe.net, Sophia Santos Diaz <sophia.diaz@csc.guam.gov>, christine.quinata@csc.guam.gov, jolene.duenas@csc.guam.gov, info@pacificsolarguam.com, John Benavente <gpagm@ite.net>, Joaquin Flores <jflores@gpagwa.com>, sbias@gpagwa.com, dleddy@guamchamber.com.gu, bill\_hagen@hotmail.com, Adam Bearce <adam@guamlegislature.org>, Carlo Branch <carlo.branch@gmail.com>, Charissa Tenorio <charissatenorio@gmail.com>, Ana Maria Won Pat Borja <Ana.WonPatBorja@senatorbjcruz.com>, Matthew Santos <matthew.santos@senatorbjcruz.com>

May 6, 2013

### MEMORANDUM

**To:** All Members/All Senators

**From:** Chairman, Committee on General Government Operations and Cultural Affairs

**Re:** First Notice of Public Hearing – Five Day Notice – May 13, 2013

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Senseramente,

Mike Lidia

Committee Director

Office of Vice Speaker Cruz  
477-2520

---

**Adam Bearce** <[adam@guamlegislature.org](mailto:adam@guamlegislature.org)>

Mon, May 6, 2013 at 11:12 AM

To: Mike Lidia <[mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com)>, Yong Pak <[yong@guamlegislature.org](mailto:yong@guamlegislature.org)>

Hi thanks. This is now posted.

[Quoted text hidden]

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**Alberto A Lamorena** <[alberto.lamorena@csc.guam.gov](mailto:alberto.lamorena@csc.guam.gov)>

Mon, May 6, 2013 at 11:40 AM

To: Mike Lidia <[mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com)>

Hafa Adai Mike,  
CSC will be there to present testimony.  
Si Yu'os Ma'ase,  
tony

[Quoted text hidden]

--

Alberto A. "Tony" Lamorena V  
Executive Director,  
Guam Civil Service Commission  
7th flr, ITC building  
Marine Corp Drive, Tamuning  
Tel. 647-1855/58



May 9, 2013

**MEMORANDUM**

**To:** All Members/All Senators  
**From:** Chairman, Committee on General Government Operations and Cultural Affairs  
**Re:** Second Notice of Public Hearing – Two Day Notice – May 13, 2013

*Hafa Adai!* Please be advised that the Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing on **Monday, May 13, 2013, beginning at 2:00PM in I Liheslatura's Public Hearing Room** with the following agenda:

**Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes** - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

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We comply with Title II of the Americans with Disabilities Act (ADA). Should you require assistance or special accommodations, please contact Mike Lidia at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via email at [mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com).

Senseramente,

Mike Lidia  
Committee Director  
Office of Vice Speaker Cruz  
477-2520



Mike Lidia <mike.lidia@senatorbjcruz.com>

**Second Notice of Public Hearing – Two Day Notice – May 13, 2013**

2 messages

**Mike Lidia** <mike.lidia@senatorbjcruz.com> Thu, May 9, 2013 at 8:50 AM  
To: phnotice@guamlegislature.org, mdroberto@gdoe.net, Tony Lamorena <alberto.lamorena@csc.guam.gov>, jonfernandez@gdoe.net, superintendent@gdoe.net, Sophia Santos Diaz <sophia.diaz@csc.guam.gov>, christine.quinata@csc.guam.gov, jolene.duenas@csc.guam.gov, info@pacificsolarguam.com, John Benavente <gpagm@ite.net>, Joaquin Flores <jflores@gpagwa.com>, sblas@gpagwa.com, dledy@guamchamber.com.gu, bill\_hagen@hotmail.com, Carlo Branch <carlo.branch@gmail.com>, Charissa Tenorio <charissatenorio@gmail.com>

May 9, 2013

**MEMORANDUM**

**To:** All Members/All Senators  
**From:** Chairman, Committee on General Government Operations and Cultural Affairs  
**Re:** Second Notice of Public Hearing – Two Day Notice – May 13, 2013

*Hafa Adai!* Please be advised that the Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing on **Monday, May 13, 2013, beginning at 2:00PM in I Liheslatura's Public Hearing Room** with the following agenda:

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accommodations, please contact Mike Lidia at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via email at [mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com).

Senseramente,

Mike Lidia

Committee Director

Office of Vice Speaker Cruz  
477-2520

---

**Adam Bearce** <[adam@guamlegislature.org](mailto:adam@guamlegislature.org)>

Thu, May 9, 2013 at 8:52 AM

To: Mike Lidia <[mike.lidia@senatorbjcruz.com](mailto:mike.lidia@senatorbjcruz.com)>, Yong Pak <[yong@guamlegislature.org](mailto:yong@guamlegislature.org)>

Thank you. confirmed posted.

[Quoted text hidden]



**Listserv: phnotice@guamlegislature.org  
As of July 30, 2013**

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**Listserv: phnotice@guamlegislature.org  
As of July 30, 2013**

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## **PUBLIC HEARING AGENDA**

Monday, May 13, 2013 – 2:00PM

*I Liheslatura* • Public Hearing Room • Hagåtña, Guam

**Bill No. 74-32 (LS) - J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. / T.R. Muña Barnes** - An act to authorize the Department of Education to enter into a Public-Private renewable energy purchase agreement with a qualified provider, by adding a new §7120 to Chapter 7 of Division 2, Title 17, Guam Code Annotated.

**Bill No. 102-32 (COR) - B.J.F. Cruz** - An act to amend §4402 of Chapter 4, Title 4, Guam Code Annotated, relative to the meetings of the Civil Service Commission.

**Bill No. 103-32 (COR) - B.J.F. Cruz** - An act to amend Section 14 of Chapter XII, of Public Law 31-233, relative to the stipends of the Civil Service Commission.



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guahan* • The 32nd Guam Legislature  
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CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

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Vice-Speaker  
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Legislative Secretary  
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Senator  
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Senator  
Michael F.Q. San Nicolas  
Member


Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

April 2, 2013

## Memorandum

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

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

**Subject:** **Fiscal Notes**

*Hafa Adai!*

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

### FISCAL NOTES:

Bill Nos.: 1-32 (LS) and 74-32 (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'ãse'!*

2013 APR -2 AM 11:04  


**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

**EDDIE BAZA CALVO**  
GOVERNOR

**JOHN A. RIOS**  
DIRECTOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR

APR 01 2013

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: **01-32(LS), and 74-32(COR).**

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

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS  
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 74-32**

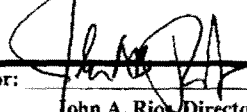
**AN ACT TO AUTHORIZE THE DEPARTMENT OF EDUCATION TO ENTER INTO A PUBLIC -PRIVATE RENEWALBE ENEGY PURCHASE AGREEMENT WITH A QUALIFIED PROVIDER, BY ADDING A NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Department of Education	Dept./Agency Head: Jon Fernandez, Superintendent of
Department's General Fund (GF) appropriation(s) to date:	184,627,406
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund, Territorial Education Facilities Fund	31,535,708
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$216,163,114</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance <sup>1</sup>		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2013 (if applicable)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Analyst:  Date: 4/1/13	Director:  Date: 4/1/13
John AB Pangelinan, Acting Deputy Director	John A. Rios, Director

**Footnotes:**  
Please see attached comment sheet

**Comments on Bill No. 74-32 (LS)**

The proposed legislation is seeking to authorize the Guam Department of Education (GDOE) to enter into a public-private renewable energy purchase agreement with a qualified provider. The intent of this proposed legislation is to encourage GDOE to seek such agreement so that its annual power cost would be reduced by 50%. To initiate such agreement and authorization, a new Section 7120 is also being proposed for such authorization. This proposed section of this bill is also requiring that the renewable energy provider will be responsible for all cost to install and maintain such renewable technology; however, it is silenced to the investment cost of solar power technology and/or wind technology. To obtain the level of 50% of power self-sufficiency for 41 schools would require hundreds of thousands or millions of dollars that currently are not budgeted in FY 2013 or not included in the Governor's Executive Budget Request for FY 2014. Such legislation when passed would provide the authorization, but not the funding required to obtaining the necessary materials and equipment to implement such power cost saving utility program.



## COMMITTEE ON RULES

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Aline Yamashita  
Member

March 26, 2013

### MEMORANDUM

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

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

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

**Subject: Referral of Bill No. 74-32(LS)**

As the Chairperson of the Committee on Rules, I am forwarding my re referral of Bill No. **74-32(LS)**.

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 GUÅHAN  
2013 (FIRST) Regular Session

Bill No. 7432 (LS)

Introduced by:

Judith T. Won Pat, Ed.D.   
Aline A. Yamashita, Ph.D.   
Tina R. Muna-Barnes 

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AN ACT TO AUTHORIZE THE DEPARTMENT OF  
EDUCATION TO ENTER INTO A PUBLIC-PRIVATE  
RENEWABLE ENERGY PURCHASE AGREEMENT  
WITH A QUALIFIED PROVIDER, BY ADDING A  
NEW §7120 TO CHAPTER 7 OF DIVISION 2, TITLE 17,  
GUAM CODE ANNOTATED.

2013 MAR 26 PM 1:55

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2       **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
3 finds that the cost of electricity provided by the Guam Power Authority  
4 (GPA) continues to rise as the price of oil, worldwide, correspondingly  
5 increases. GPA is totally dependent on oil for the production of electricity  
6 for consumers. Such dependence has resulted in rate increases in the form  
7 of increased fuel surcharges.

8       *I Liheslatura* finds that although GPA is currently only able to  
9 produce electricity using oil-powered generators, the agency entered into a  
10 public-private renewable energy purchase agreement with a qualified

1 renewable energy provider. Local media report that the provider is  
2 expected to develop solar/wind turbine technology renewable resource  
3 with a capacity of 15 megawatts or approximately 10 wind turbines and 5  
4 solar panels for a 20 and 25 year contract terms with a guaranteed energy  
5 production and fixed price per contract year. The output of renewable  
6 power onto GPA's power grid will serve nearly 2,200 homes.

7 *I Liheslaturan Guåhan* finds that a private school in Guam recently  
8 entered into a 25-year agreement with a renewable energy provider. The  
9 school expects to pay 23 cents per kilowatt-hour for the first year. GPA  
10 currently charges 29 cents per kilowatt-hour for residential customers, 32  
11 cents per kilowatt-hour for mid-size commercial customers, and 34 cents  
12 per kilowatt-hour for large commercial customers. Approximately 50% of  
13 the school's power needs, or 100 kilowatt-hours, will be generated by new  
14 solar panels that were paid for, and installed by, a renewable energy  
15 provider through a power purchase agreement.

16 *I Liheslatura* further finds that the Superintendent of Education has  
17 publicly stated in recent media interviews that the Department of  
18 Education (DOE) projects an approximately \$5 million shortfall in its FY  
19 2013 budget due to rate increases for electricity. It is, therefore, the intent  
20 of *I Liheslaturan Guåhan* to assist DOE in addressing the rising cost of  
21 electricity. *I Liheslatura* intends for DOE, which is made up of 41 schools, to  
22 enter into a public-private renewable energy purchase agreement with one

1 or more qualified renewable energy providers, by adding a new §7120 to  
2 Chapter 7 of Division 2, Title 17, Guam Code Annotated.

3 **Section 2.** A new §7120 is hereby added to Chapter 7 of Division 2,  
4 Title 17, Guam Code Annotated, to read:

5 **“§7120. Public-Private Renewable Energy Purchase Agreement(s)**  
6 **Authorized.**

7 The Department of Education (Department) is hereby authorized to  
8 solicit, from qualified renewable energy providers, proposals for the  
9 installation and maintenance of renewable energy technology which shall  
10 include, but not be limited to, solar power technology. The Department is  
11 further authorized to enter into a renewable energy purchase agreement(s)  
12 with a qualified renewable energy provider(s), in the event such  
13 provider(s) is able to meet the department’s energy requirements in  
14 accordance with Guam’s laws, rules and regulations, for a term of up to  
15 twenty-five years. The renewable energy provider(s) selected shall be  
16 responsible for all costs required to install and maintain such renewable  
17 energy technology at DOE schools and facilities.”