

SEVENTEENTH GUAM LEGISLATURE  
1984 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 675, "AN ACT TO ESTABLISH A TEN YEAR ALTERNATE ENERGY PLAN FOR GUAM, AND TO INCORPORATE THE U.S. DEPARTMENT OF ENERGY TERRITORIAL ENERGY ASSESSMENT/FINAL REPORT AS AN INTEGRAL PART OF THE GUAM COMPREHENSIVE DEVELOPMENT PLAN," was on the 1st day of December 1984, duly and regularly passed.

CARL T. C. GUTIERREZ  
Speaker

Attested:

TED S. NELSON  
Senator and Acting Legislative Secretary

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This Act was received by the Governor this 5<sup>th</sup> day of December 1984, at 3:45 o'clock p.m.

*Francis Manuel Salas*  
for Assistant Staff Officer  
Governor's Office

APPROVED

RICARDO J. BORDALLO  
Governor of Guam

Date: December 11, 1984, 4:59 p.m.

Public Law No. 17-77

SEVENTEENTH GUAM LEGISLATURE  
1984 (SECOND) Regular Session

Bill No. 675  
Substitute by Committees on Energy,  
Utilities & Consumer Protection  
and Rules

Introduced by:

D. Parkinson

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AN ACT TO ESTABLISH A TEN YEAR ALTERNATE  
ENERGY PLAN FOR GUAM, AND TO INCORPORATE  
THE U.S. DEPARTMENT OF ENERGY TERRITORIAL  
ENERGY ASSESSMENT/FINAL REPORT AS AN  
INTEGRAL PART OF THE GUAM COMPREHENSIVE  
DEVELOPMENT PLAN.

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

2 Section 1. A new 12 GCA, Chapter 8, Article 3 is added to read:

3 "Article 3

4 Alternate Energy Plan

5 §8301. This Article shall be known as the 'Alternate Energy Plan'  
6 for Guam Act.

7 §8302. Findings. The findings of the Seventeenth Guam  
8 Legislature are that:

9 (a). P.L. 16-119 requires the Guam Power Authority to prepare  
10 a Ten Year Alternate Energy Plan for Guam, and that the Governor  
11 shall forward said plan to the Legislature to be considered for  
12 codification into law; and

13 (b). The Governor appointed an Alternate Energy Task Force to  
14 research and prepare a Ten Year Alternate Energy Plan; and the  
15 Alternate Energy Task Force has identified essentially the same  
16 indigenous renewable energy resources as outlined in the  
17 Comprehensive Development Plan for Guam and the Territorial Energy  
18 Assessment/Final Report and has suggested a schedule for  
19 implementation; and

1 (c). The Comprehensive Development Plan for Guam was  
2 presented to the Legislature by Governor Bordallo in 1978. That  
3 Comprehensive Development Plan has been the working document for  
4 energy development since then, notwithstanding its not having been  
5 officially adopted by resolution of the Legislature as of the date of this  
6 Act. The Comprehensive Development Plan for Guam incorporated a  
7 section describing the energy situation on Guam in 1978, and outlines  
8 alternate energy options planned for the territory at that time; and

9 (d). The United States Department of Energy has adopted the  
10 Territorial Energy Assessment/Final Report as its official guideline for  
11 development of alternate energy resources for the Insular Territories;  
12 and

13 (e). The Congress of the United States is currently considering  
14 means of funding the studies outlined in the Territorial Energy  
15 Assessment/Final Report; and

16 (f). Studies have been conducted by several professional  
17 engineering companies which indicate that alternate energy forms may  
18 be found among Guam's indigenous resources and elsewhere; and

19 (g). All studies indicate that no source of alternate energy is  
20 competitive cost-wise with the present cost of generating power using  
21 current conventional sources of power presently available on Guam;  
22 and

23 (h). Guam has sufficient capacity for power generation for the  
24 foreseeable future, using conventional power sources; and

25 (i). The development of the Ten Year Alternate Energy Plan has  
26 been accomplished without the expenditure of any significant local  
27 funds through existing governmental agencies; and

28 (j). The Government of Guam and Guam Power Authority are  
29 relatively small and have no excess funds to experiment with new  
30 forms of energy with local or Guam Power Authority Funds.

31 §8303. The U.S. Department of Energy's Territorial Energy  
32 Assessment/Final Report is hereby adopted as an integral part of the  
33 Comprehensive Development Plan for Guam, the latter is hereby  
34 adopted as the official guideline for alternate energy development for

1 the territory by the Seventeenth Guam Legislature, subject however to  
2 the conditions contained in this Act.

3 §8304. The Governor is hereby authorized to proceed with  
4 development of a long term energy plan for Guam and to develop  
5 alternate energy sources without legislative approval by itself or in  
6 conjunction with Guam Power Authority or private companies, to the  
7 extent that those alternative resources can be developed using private  
8 funds or funds provided by the U. S. Congress through the U.S.  
9 Department of Energy, with local coordination through the Guam  
10 Energy Office, in cooperation with Guam Power Authority and other  
11 affected agencies. The Energy Office is also authorized to develop  
12 alternate energy sources using local funds appropriated for that  
13 purpose.

14 §8305. The Guam Energy Office, in coordination with other  
15 appropriate government agencies, shall coordinate the development of  
16 conventional energy resources and alternate energy resources outlined  
17 in the Ten Year Alternate Energy Plan for Guam, which plan is hereby  
18 included as an element of the Comprehensive Development Plan for  
19 Guam.

20 §8306. The Legislature supports, in principle, the development  
21 of alternate energy, but is concerned that the alternate energy  
22 program not be a burden upon the taxpayers, power consumers, and  
23 residents of Guam. Therefore, the Governor, the Government of Guam  
24 and the Guam Power Authority may enter into alternate energy  
25 agreements to develop alternate energy or to purchase alternate energy  
26 only if all of the following conditions are met:

27 (1). Local funds of the Government of Guam or the Guam Power  
28 Authority Funds may be used to develop alternate energy sources  
29 (including power generated from windmills, solar ponds and Ocean  
30 Thermal Energy Conversion) as may be later, appropriated by the  
31 Legislature or approved by law for that specific purpose.

32 (2). Any power produced or sold from alternate energy sources  
33 (including power generated from windmills, solar ponds and Ocean  
34 Thermal Energy Conversion (OTEC) cannot be purchased by Guam

1 Power Authority or the Government of Guam at a cost greater than the  
2 average cost of producing power found in the islandwide power system  
3 (not inclusive of backup diesel generators), specifically the two Cabras  
4 Units, the two Tanguisson Units, and the Piti Power Plant.

5 (3). No contract may be signed by the Government of Guam or  
6 the Guam Power Authority to develop or purchase power from alternate  
7 energy sources (including power generated from windmills, solar ponds  
8 and Ocean Thermal Energy Conversion), if such contract will result in  
9 increased expenses and costs for the Guam Power Authority. No such  
10 alternate energy contract may be signed until the board of directors of  
11 the Guam Power Authority has so certified that the agreement is  
12 consistent with all bond covenants and that the price paid for  
13 electricity pursuant to the agreement does not exceed actual current  
14 avoided cost.

15 (4). For so long as the Navy Power Pool Agreement is in effect,  
16 neither the Guam Power Authority nor the Government of Guam may  
17 contract to purchase any power generated from alternate energy source  
18 (including power generated from windmills and solar ponds and Ocean  
19 Thermal Energy Conversion) without giving the United States Navy  
20 prior written notification.

21 (5). Any contract to purchase alternate energy (including power  
22 generated from windmills and solar ponds and Ocean Thermal Energy  
23 Conversion) must provide that any loss or damage to the islandwide  
24 power system, Guam Power Authority and the U.S. Navy or to  
25 consumers as a result of or proximately caused by the negligence of  
26 alternate energy supplier or by the quality of alternate energy  
27 supplied will be borne solely by the alternate energy supplier who will  
28 hold Guam Power Authority and the Government of Guam harmless.

29 (6). All interface facilities to provide usable alternate energy  
30 (including power generated from windmills, solar ponds and Ocean  
31 Thermal Energy Conversion) shall be installed and maintained at the  
32 expense of the supplier of alternate energy. Any such  
33 interconnections shall be at existing lines owned and operated by the

1 Islandwide Power System, and such interfaces shall be subject to the  
2 engineering standards and approval set by the Guam Power Authority.

3 (7). Any contract to purchase alternate energy (including power  
4 generated from windmills, solar ponds and Ocean Thermal Energy  
5 Technology) must provide that neither the Government of Guam nor  
6 the Guam Power Authority shall be obligated to purchase electrical  
7 power not needed by the Guam Power Authority.

8 §8307. The Power of Eminent Domain (condemnation) shall not be  
9 used by the Government of Guam or the Guam Power Authority to  
10 provide land for alternate energy sources or to provide land to lease  
11 to alternate energy suppliers. It shall be the exclusive responsibility  
12 of the alternate energy supplier to cope with land/easement problems,  
13 and neither the Government of Guam nor the Guam Power Authority  
14 shall be under any obligation to provide land to alternate energy  
15 suppliers.

16 §8308. If the Government of Guam or the Guam Power Authority  
17 leases any land belonging to the Government of Guam or the Guam  
18 Power Authority for alternate energy to private alternate energy  
19 suppliers for alternate energy related purposes, such lease shall be  
20 for the full fair market rental value of the land (based upon the value  
21 at the highest and best use) and contain provisions canceling the lease  
22 and reverting the land to the Government of Guam or the Guam Power  
23 Authority if not developed for alternate energy purposes within three  
24 (3) years, and canceling the lease and reverting the land to the  
25 Government of Guam or the Guam Power Authority whenever the land  
26 is no longer being primarily utilized for alternate energy purposes.

27 §8309. In the event that the Guam Power Authority or the  
28 Governor of Guam determines that purchase of alternate energy from  
29 private developers or development of any alternate energy source  
30 which does not comply with the guidelines of the Act is feasible and in  
31 the best interests of the Territory of Guam and the Guam Power  
32 Authority, then the Governor shall present to the Legislature a full  
33 detailed development plan and a complete cost analysis, cash flow and  
34 capital improvement plan for development of that alternate energy

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source. The submission shall fully justify departure from the above plans and demonstrate why such plan is in the best interests of the people of Guam. The Governor shall accompany such plan with proposed legislation to amend this Act. In such event, the Legislature may consider such plan in deciding whether or not to pass legislation amending this Alternate Energy Plan for Guam Act."