



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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January 14, 2021

MEMO

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

From: **Vice Speaker Tina Rose Muña Barnes**
Chairperson, Committee on Rules

Re: **Fiscal Note**

Buenas yan Håfa adai.

Attached, please find the fiscal note for the following bill:

Bill No. 10-36 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 10-36 (COR)

AN ACT TO ADD A NEW § 8503(b)(4) AND TO AMEND § 8505(b)(3) OF CHAPTER 8, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE AGGREGATE CAPACITY LIMIT FOR NET ENERGY MEASUREMENT CALCULATIONS AND TO ESTABLISHING THE RATE AT WHICH CUSTOMER-GENERATORS ARE TO BE COMPENSATED, RESPECTIVELY.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Power Authority	Dept./Agency Head: John M. Benavente, P.E., General Manager
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2020 Unreserved Fund Balance	\$0	\$0	\$0
FY 2021 Adopted Revenues	\$0	\$0	\$0
FY 2021 Appro. (P.L. 35-99 thru)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

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: / X/ Yes / / No
 / X/ Requested agency comments not received by due date / / Other:

Analyst:  Date: <u>1/13/2021</u> ^{rs} _{1/13/21}	Director:  Date: <u>JAN 14 2021</u>
Abigail Reyes, BMA III	Lester L. Carlson, Jr., Director

Notes:
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 10-36 (COR)

The proposed legislation intends to add a new §8503(b)(4) of Article 5 of Chapter 8 of Title 12 of the Guam Code Annotated (12 GCA) relative to increasing the aggregate capacity limit for net energy measurement calculations. Within six months of reaching such aggregate capacity limit, the proposed legislation intends to require a utility to conduct a complete distribution system study including a full cost-benefit analysis of the impact of the distributed generation on the system. No new applications for net metering systems are to be approved until such study is completed.

Further, the proposed legislation intends to amend §8505(b)(3) also of Article 5 of Chapter 8 of 12 GCA relative to establishing the rate at which customer-generators are to be compensated. The proposed legislation intends to set the compensation for customer-generators at no less than the full retail rate and that while the rate of compensation for future customer-generators may be petitioned to be changed by the utility, the rate of compensation for existing customer-generators shall not be petitioned to be changed.

Absent pertinent information from the Guam Power Authority (GPA) to include (a) the utility's total system peak demand, (b) the cost of the distribution system study, and (c) the full retail rate relative to compensation for customer-generators, the Bureau cannot determine an approximate fiscal impact to the Government of Guam at this time. However, the Bureau recognizes that this proposed legislation will have an impact on the revenues and expenditures of GPA, which is an autonomous agency pursuant to Chapter 8 of Title 12 of the Guam Code Annotated.