

*I Mina'trentai Sais Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
10-36 (COR)	Clynton E. Ridgell	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.	1/4/21 4:58 p.m.	1/13/21	Committee on Economic Development, Agriculture, Power and Energy Utilities, and the Arts			Request: 1/13/21  1/14/21	



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**

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

**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

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|---|------------|----------|
| 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  |
| If no, what is the additional amount required?  | / X / N/A  | / / No   |
| 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  |
| 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: <u>Abigail Reyes, BMA III</u>	Date: <u>1/13/2021</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JAN 14 2021</u>
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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.