

*I Mina'trentai Singko 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
219-35 (COR)	Joe S. San Agustin Tina Rose Muña Barnes William M. Castro Clynton E. Ridgell	AN ACT TO <i>AMEND</i> § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO <i>AMEND</i> § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.	10/15/19 3:46 p.m.	1/24/20	Committee on General Government Operations, Appropriations, and Housing	10/23/20 3:30 p.m.	11/16/20 2:01 p.m.  As amended by the Committee on General Government Operations, Appropriations, and Housing	Request: 1/24/20  2/13/20	



# SENATOR JOE S. SAN AGUSTIN

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN  
CHAIRMAN, COMMITTEE ON APPROPRIATIONS, GENERAL GOVERNMENT OPERATIONS & HOUSING

09 NOV 2020

**The Honorable Tina Rose Muña Barnes**

Speaker

*I Mina'trentai Singko Liheslaturan Guåhan*

163 Chalan Santo Papa

Hagåtña, Guam 96910

**VIA: The Honorable Régine Biscoe Lee**

Chairperson, Committee on Rules

**RE: Committee Report on Bill 219-35 (COR) As amended by the Committee**

Dear Speaker Barnes:

**Transmitted herewith is the Committee Report on BILL No. 219-35 (COR)- As amended by the Committee on General Government Operations, Appropriations, and Housing. Introduced by Senator Joe S. San Agustin, Speaker Tina Rose Muña Barnes, Senator William M. Castro, and Senator Clynton E. Ridgell. –“AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.”**

Committee votes are as follows:

4 TO DO PASS  
0 TO NOT PASS  
2 TO REPORT OUT ONLY  
0 TO ABSTAIN  
0 TO PLACE IN INACTIVE FILE

Respectfully,

**Senator Joe S. San Agustin**

Chairperson, Committee on Appropriations

**COMMITTEE ON RULES**

**RECEIVED:**

November 10, 2020

8:00 A.M.

**Revisions Rec'd:**

November 16, 2020 @12:54 P.M.



# SENATOR JOE S. SAN AGUSTIN

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN  
CHAIRMAN, COMMITTEE ON APPROPRIATIONS, GENERAL GOVERNMENT OPERATIONS & HOUSING

---

## COMMITTEE REPORT

### BILL NO. 219-35 (COR)

**As amended by the Committee on General Government Operations, Appropriations, and Housing**

As Introduced by Joe S. San Agustin, Tina Rose Muña Barnes, William M. Castro, and Clynton E. Ridgell.

**AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.**



# SENATOR JOE S. SAN AGUSTIN

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN  
CHAIRMAN, COMMITTEE ON APPROPRIATIONS, GENERAL GOVERNMENT OPERATIONS & HOUSING

**9 NOV 2020**

## **MEMORANDUM**

### **TO: ALL MEMBERS**

Committee on General Government Operations, Appropriations, and Housing

### **From: Senator Joe S. San Agustin**

Committee Chairperson

### **Subject: Committee Report on Bill No. 219-35 (COR) As amended by the Committee**

Transmitted herewith is the Committee Report on **BILL No.219-35 (COR)- As amended by the Committee on General Government Operations, Appropriations, and Housing**. Introduced by Senator Joe S. San Agustin, Speaker Tina Rose Muña Barnes, Senator William M. Castro, and Senator Clynton E. Ridgell.- **"AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM."**

This report includes the following:

- Copy of COR Referral of Bill No. 219-35 (COR)
- Notices of Public Hearing and Other Correspondence
- Copy of Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Written Testimony and Supporting Documents
- Committee Report Digest
- Copy of Bill No.219-35 (COR), As introduced
- Copy of Bill No. 219-35 (COR), As amended by the Committee
- Copy of Fiscal Note from Bureau of Budget and Management Research
- Copy of Funding Availability Note from Office of Finance and Budget
- Committee Vote Sheet

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

*Si Yu'as Ma'ase'.*

**Senator Joe S. San Agustin**

Chairman, Committee on Appropriations

Senator Régine Biscoe Lee,  
Chair

Senator Amanda L. Shelton,  
Vice Chair

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telena Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), PhD,  
Member

Senator Sabina Flores Perez,  
Member



**COMMITTEE ON RULES**  
**I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN**  
**35<sup>TH</sup> GUAM LEGISLATURE**

January 24, 2020

Senator Clynton E. Ridgell,  
Member

Senator Joe S. San Agustin,  
Member

Senator Jose "Pedro" Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and Chair, Subcommittee on Protocol

# MEMO

**To:** Rennae Meno  
Clerk of the Legislature  
  
Attorney Ana Won Pat-Borja  
Legislative Legal Counsel

**From:** Senator Régine Biscoe Lee  
Chair, Committee on Rules

**Re:** Referral of Bill No. 219-35 (COR)

---

*Buenas yan Håfa adai.*

As per my authority as Chair of the Committee on Rules and subject to § 6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 219-35 (COR)**.

Please ensure that the subject bill is referred, in my name, to Senator Joe S. San Agustin, Chairperson of the Committee on General Government Operations, Appropriations, and Housing. I also request that the same be forwarded to the prime sponsor of the subject bill.

After committee review, the subject bill may be further referred by the Committee on Appropriations to the Principal Committee of subject matter jurisdiction, pursuant to § 6.01(d)(1), Rule VI of our Standing Rules. If the Committee on Appropriations determines that a subsequent referral is in order, the Committee on Rules respectfully advises that the subject bill be referred to the Committee on Environment, Revenue and Taxation, and Procurement, chaired by Senator Sabina Flores Perez.

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.

Respectfully,

  
Senator Régine Biscoe Lee  
Chair, Committee on Rules



---

**AMENDED: FIRST NOTICE OF PUBLIC HEARING on Friday, October 23, 2020**

1 message

Joseph Mesngon <joe.senatorsa@gmail.com>  
To: phnotice@guamlegislature.org

Fri, Oct 16, 2020 at 5:19 PM

October 16, 2020

**TO: All Honorable Senators, Stakeholders and Media**

**FROM: Sen. Joe S. San Agustin, Chairman, Committee on General Government Operations, Appropriations, and Housing**

**SUBJECT: FIRST NOTICE OF PUBLIC HEARING on Friday, October 23, 2020**

*Hafa Adai!*

The Committee on General Government Operations, Appropriations and Housing will conduct a Public Hearing on Friday, October 23, 2020.

The hearing will be conducted in the Public Hearing Room of the Guam Congress Building, unless the island remains in PCOR1 status, at which time we will conduct the hearing via the Zoom Virtual Conference platform.

The Committee will hear and accept testimonies on the following:

**\*\*9:00AM to 11:00AM:**

**Bill No. 404-35 (COR) - Régine Biscoe Lee**

**AN ACT TO ADD A NEW § 48104(b)(5) and § 48104(e), BOTH OF CHAPTER 48, TITLE 10, AND TO AMEND § 62104(b) OF CHAPTER 62, TITLE 21, ALL OF GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING ANY FURTHER USE OF SEPTIC TANKS ON CERTAIN LOTS LOCATED IN THE GROUNDWATER PROTECTION ZONE (GPZ), REGARDLESS OF WHETHER SAID LOTS ARE PART OF PARENTAL SUBDIVISIONS.**

**\*\*2:00PM to 3:30PM:**

**Bill No. 353-35 (COR) - Therese M. Terlaje**

**AN ACT TO AUTHORIZE THE GUAM VISITORS BUREAU TO EXPEND ALL FUNDS AVAILABLE IN THE RAINY DAY FUND FOR THE REMAINING FISCAL YEAR 2020.**

**Bill No. 396-35 (COR) - Therese M. Terlaje / Clynton E. Ridgell / Joe S. San Agustin / Tina Rose Muña Barnes**

**AN ACT TO APPROVE THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A.**

**\*\*3:30PM to 5:00PM:**

**Bill No. 219-35 (COR) - Joe S. San Agustin / Tina Rose Muña Barnes / William M. Castro / Clynton E. Ridgell**

**AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF**

**EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE  
AND THE UNIVERSITY OF GUAM.**

**TO SUBMIT TESTIMONY:**

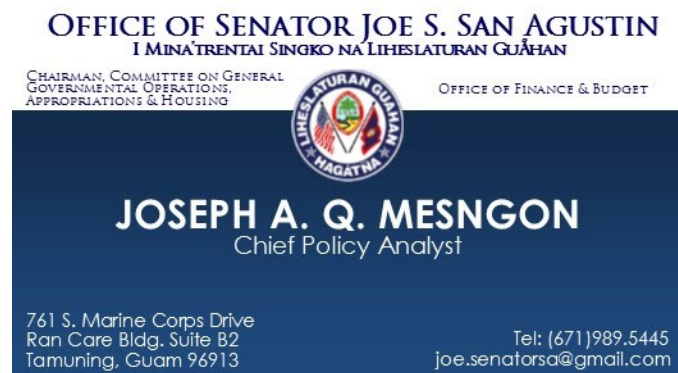
Written testimonies may be addressed to Sen. Joe S. San Agustin, Chairman of the Committee on General Government Operations, Appropriations and Housing and sent via email to [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com).

Should the hearing be conducted via virtual conference, individuals who wish to provide oral testimony are asked to contact Mica Celorio at [msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com) for link information and guidance.

Individuals with disabilities who may require additional assistance are asked to contact the office at 989-5445 or via email, [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com) for assistance.

The public hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117/60.4 and stream online via *I Liheslaturan Guåhan's* live feed. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing.

We look forward to your participation. *Si Yu'os Ma'ase'!*



--  
To unsubscribe from this group and stop receiving emails from it, send an email to [phnotice+unsubscribe@guamlegislature.org](mailto:phnotice+unsubscribe@guamlegislature.org).



Catherine Leon Guerrero &lt;cathy.senatorsa@gmail.com&gt;

**FIRST NOTICE OF PUBLIC HEARING on Friday, October 23, 2020**

2 messages

Joseph Mesngon &lt;joe.senatorsa@gmail.com&gt;

Fri, Oct 16, 2020 at 5:00 PM

To: phnotice@guamlegislature.org

Bcc: cathy.senatorsa@gmail.com

October 16, 2020

**TO: All Honorable Senators, Stakeholders and Media****FROM: Sen. Joe S. San Agustin, Chairman, Committee on General Government Operations, Appropriations, and Housing****SUBJECT: FIRST NOTICE OF PUBLIC HEARING on Friday, October 23, 2020***Hafa Adai!*

The Committee on General Government Operations, Appropriations and Housing will conduct a Public Hearing on Friday, October 23, 2020.

The hearing will be conducted in the Public Hearing Room of the Guam Congress Building, unless the island remains in PCOR1 status, at which time we will conduct the hearing via the Zoom Virtual Conference platform.

The Committee will hear and accept testimonies on the following:

**\*\*9:00AM to 11:00AM:****Bill No. 404-35 (COR) - Régine Biscoe Lee**

**AN ACT TO ADD A NEW § 48104(b)(5) and § 48104(e), BOTH OF CHAPTER 48, TITLE 10, AND TO AMEND § 62104(b) OF CHAPTER 62, TITLE 21, ALL OF GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING ANY FURTHER USE OF SEPTIC TANKS ON CERTAIN LOTS LOCATED IN THE GROUNDWATER PROTECTION ZONE (GPZ), REGARDLESS OF WHETHER SAID LOTS ARE PART OF PARENTAL SUBDIVISIONS.**

**\*\*2:00PM to 4:30PM:****Bill No. 353-35 (COR) - Therese M. Terlaje**

**AN ACT TO AUTHORIZE THE GUAM VISITORS BUREAU TO EXPEND ALL FUNDS AVAILABLE IN THE RAINY DAY FUND FOR THE REMAINING FISCAL YEAR 2020.**

**Bill No. 396-35 (COR) - Therese M. Terlaje / Clynton E. Ridgell / Joe S. San Agustin / Tina Rose Muña Barnes**

**AN ACT TO APPROVE THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A.**

**TO SUBMIT TESTIMONY:**

Written testimonies may be addressed to Sen. Joe S. San Agustin, Chairman of the Committee on General Government Operations, Appropriations and Housing and sent via email to [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com).

Should the hearing be conducted via virtual conference, individuals who wish to provide oral testimony are asked to contact Mica Celorio at [msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com) for link information and guidance.

Individuals with disabilities who may require additional assistance are asked to contact the office at 989-5445 or via email, [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com) for assistance.

The public hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117/60.4 and stream online via *I Liheslaturan Guåhan's* live feed. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing.

We look forward to your participation. *Si Yu'os Ma'ase'!*

**OFFICE OF SENATOR JOE S. SAN AGUSTIN**  
**I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN**

CHAIRMAN, COMMITTEE ON GENERAL  
GOVERNMENTAL OPERATIONS,  
APPROPRIATIONS & HOUSING



OFFICE OF FINANCE & BUDGET

**JOSEPH A. Q. MESNGON**  
Chief Policy Analyst

761 S. Marine Corps Drive  
Ran Care Bldg. Suite B2  
Tamuning, Guam 96913

Tel: (671) 989.5445  
[joe.senatorsa@gmail.com](mailto:joe.senatorsa@gmail.com)

Joseph Mesngon <[joe.senatorsa@gmail.com](mailto:joe.senatorsa@gmail.com)>  
To: [phnotice@guamlegislature.org](mailto:phnotice@guamlegislature.org)  
Bcc: [cathy.senatorsa@gmail.com](mailto:cathy.senatorsa@gmail.com)

Tue, Oct 20, 2020 at 2:23 PM

October 20, 2020

**TO: All Honorable Senators, Stakeholders and Media**

**FROM: Sen. Joe S. San Agustin, Chairman, Committee on General Government Operations, Appropriations, and Housing**

**SUBJECT: FIRST NOTICE OF PUBLIC HEARING on Friday, October 23, 2020**

*Hafa Adai!*

The Committee on General Government Operations, Appropriations and Housing will conduct a Public Hearing on Friday, October 23, 2020.

The hearing will be conducted via the Zoom Virtual Conference platform. Individuals who wish to provide oral testimony are asked to contact Mica Celorio at [msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com) for access and hearing protocol guidance.

The Committee will hear and accept testimonies on the following:

**\*\*9:00AM to 11:00AM:**

**Bill No. 404-35 (COR) - Régine Biscoe Lee**

**AN ACT TO ADD A NEW § 48104(b)(5) and § 48104(e), BOTH OF CHAPTER 48, TITLE 10, AND TO AMEND § 62104(b) OF CHAPTER 62, TITLE 21, ALL OF GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING ANY FURTHER USE OF SEPTIC TANKS ON CERTAIN LOTS LOCATED IN THE GROUNDWATER PROTECTION ZONE (GPZ), REGARDLESS OF WHETHER SAID LOTS ARE PART OF PARENTAL SUBDIVISIONS.**

**\*\*2:00PM to 3:30PM:**

**Bill No. 353-35 (COR) - Therese M. Terlaje**

**AN ACT TO AUTHORIZE THE GUAM VISITORS BUREAU TO EXPEND ALL FUNDS AVAILABLE IN THE RAINY DAY FUND FOR THE REMAINING FISCAL YEAR 2020.**

**Bill No. 396-35 (COR) - Therese M. Terlaje / Clynton E. Ridgell / Joe S. San Agustin / Tina Rose Muña Barnes**

**AN ACT TO APPROVE THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A.**

**\*\*3:30PM to 5:00PM:**

**Bill No. 219-35 (COR) - Joe S. San Agustin / Tina Rose Muña Barnes / William M. Castro / Clynton E. Ridgell**

**AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1,**

**CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO  
STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY  
PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM  
ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE  
UNIVERSITY OF GUAM.**

*TO SUBMIT TESTIMONY:*

Written testimonies may be addressed to Sen. Joe S. San Agustin, Chairman of the Committee on General Government Operations, Appropriations and Housing and sent via email to [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com).

Individuals with disabilities who may require additional assistance are asked to contact the office at 989-5445 or via email, [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com) for assistance.

[Quoted text hidden]



Catherine Leon Guerrero &lt;cathy.senatorsa@gmail.com&gt;

**SECOND NOTICE OF PUBLIC HEARING on Friday, October 23, 2020**

1 message

Joseph Mesngon &lt;joe.senatorsa@gmail.com&gt;

Wed, Oct 21, 2020 at 12:29 PM

To: phnotice@guamlegislature.org

Bcc: cathy.senatorsa@gmail.com

October 20, 2020

**TO: All Honorable Senators, Stakeholders and Media****FROM: Sen. Joe S. San Agustin, Chairman, Committee on General Government Operations, Appropriations, and Housing****SUBJECT: SECOND NOTICE OF PUBLIC HEARING on Friday, October 23, 2020***Hafa Adai!*

The Committee on General Government Operations, Appropriations and Housing will conduct a Public Hearing on Friday, October 23, 2020.

The hearing will be conducted via the Zoom Virtual Conference platform. Individuals who wish to provide oral testimony are asked to contact Mica Celorio at [msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com) for access and hearing protocol guidance.

The Committee will hear and accept testimonies on the following:

**\*\*9:00AM to 11:00AM:****Bill No. 404-35 (COR) - Régine Biscoe Lee**

**AN ACT TO ADD A NEW § 48104(b)(5) and § 48104(e), BOTH OF CHAPTER 48, TITLE 10, AND TO AMEND § 62104(b) OF CHAPTER 62, TITLE 21, ALL OF GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING ANY FURTHER USE OF SEPTIC TANKS ON CERTAIN LOTS LOCATED IN THE GROUNDWATER PROTECTION ZONE (GPZ), REGARDLESS OF WHETHER SAID LOTS ARE PART OF PARENTAL SUBDIVISIONS.**

**\*\*2:00PM to 3:30PM:****Bill No. 353-35 (COR) - Therese M. Terlaje**

**AN ACT TO AUTHORIZE THE GUAM VISITORS BUREAU TO EXPEND ALL FUNDS AVAILABLE IN THE RAINY DAY FUND FOR THE REMAINING FISCAL YEAR 2020.**

**Bill No. 396-35 (COR) - Therese M. Terlaje / Clynton E. Ridgell / Joe S. San Agustin / Tina Rose Muña Barnes**

**AN ACT TO APPROVE THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A.**

**\*\*3:30PM to 5:00PM:**

**Bill No. 219-35 (COR) - Joe S. San Agustin / Tina Rose Muña Barnes / William M. Castro / Clynton E. Ridgell**

**AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE UNIVERSITY OF GUAM.**

***TO SUBMIT TESTIMONY:***

Written testimonies may be addressed to Sen. Joe S. San Agustin, Chairman of the Committee on General Government Operations, Appropriations and Housing and sent via email to [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com).

Individuals with disabilities who may require additional assistance are asked to contact the office at 989-5445 or via email, [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com) for assistance.

The public hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117/60.4 and stream online via *I Liheslaturan Guåhan's* live feed. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing.

We look forward to your participation. *Si Yu'os Ma'ase'!*

**OFFICE OF SENATOR JOE S. SAN AGUSTIN**  
**I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN**

CHAIRMAN, COMMITTEE ON GENERAL  
GOVERNMENTAL OPERATIONS,  
APPROPRIATIONS & HOUSING



OFFICE OF FINANCE & BUDGET

**JOSEPH A. Q. MESNGON**  
Chief Policy Analyst

761 S. Marine Corps Drive  
Ran Care Bldg. Suite B2  
Tamuning, Guam 96913

Tel: (671) 989.5445  
[joe.senatorsa@gmail.com](mailto:joe.senatorsa@gmail.com)



# SENATOR JOE S. SAN AGUSTIN

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN  
CHAIRMAN, COMMITTEE ON APPROPRIATIONS, GENERAL GOVERNMENT OPERATIONS & HOUSING

---

**Virtual Public Hearing**  
**Friday, October 23, 2020**  
*via Zoom Virtual Conference Platform*

## **AGENDA**

**9:00AM to 11:00AM:**

**Bill No. 404-35 (COR) - Régine Biscoe Lee**

**AN ACT TO ADD A NEW § 48104(b)(5) and § 48104(e), BOTH OF CHAPTER 48, TITLE 10, AND TO AMEND § 62104(b) OF CHAPTER 62, TITLE 21, ALL OF GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING ANY FURTHER USE OF SEPTIC TANKS ON CERTAIN LOTS LOCATED IN THE GROUNDWATER PROTECTION ZONE (GPZ), REGARDLESS OF WHETHER SAID LOTS ARE PART OF PARENTAL SUBDIVISIONS.**

**2:00PM to 3:30PM:**

**Bill No. 353-35 (COR) - Therese M. Terlaje**

**AN ACT TO AUTHORIZE THE GUAM VISITORS BUREAU TO EXPEND ALL FUNDS AVAILABLE IN THE RAINY DAY FUND FOR THE REMAINING FISCAL YEAR 2020.**

**Bill No. 396-35 (COR) - Therese M. Terlaje / Clynton E. Ridgell / Joe S. San Agustin / Tina Rose Muña Barnes**

**AN ACT TO APPROVE THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A.**

**3:30PM to 5:00PM:**

**Bill No. 219-35 (COR) - Joe S. San Agustin / Tina Rose Muña Barnes / William M. Castro / Clynton E. Ridgell**

**AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE UNIVERSITY OF GUAM.**



---

**GDOE DSM Feasibility Analysis**

1 message

**John M Benavente** <jbenavente@gpagwa.com>

26 October 2020 at 10:24

To: "officeofsenatorshelton@guamlegislature.org" &lt;officeofsenatorshelton@guamlegislature.org&gt;

Cc: "senatorjoessanagustin@gmail.com" &lt;senatorjoessanagustin@gmail.com&gt;, John M Benavente &lt;jbenavente@gpagwa.com&gt;

Good Morning Senator Shelton,

As requested, the attachments consist of the study conducted at GPA's expense for GDOE schools Energy Efficiency feasibility. The study cost about \$250K. A pilot energy efficiency project of \$250K was also invested at the Barrigada Carbullido School.

I have also included an estimate of what a solar PV system would cost and its corresponding savings.

GPA has also over the past two years successfully obtain over \$2M in grants for changeout of school lighting to energy efficient LED ones.

Please, let me know if you need additional information on any of these.

Best regards,

John Benavente

---

**3 attachments****GPA BEST Schools Feasibility Assessment for GDOE R2 11-14-18.pdf**

2141K

**2018-11-09 GDOE Final Feasibility Study rev2 (003).pdf**

18705K

**GDOE SOLAR PV COST ANALYSIS (003).pdf**

779K



## GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN  
P.O. BOX 2977 • HAGĀTŊA, GUAM U.S.A. 96932-2977

October 23, 2020

Honorable Joe S. San Agustin  
Chairman  
Committee on General Government Operations, Appropriations, and Housing  
*I Mina' Trentai Singko Na Liheslaturan Guåhan*  
761 South Marine Corps Dr., Ste. 203  
Tamuning, Guam 96931  
Via email: [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)

**Re: Bill 219-35**

*An Act to Amend § 7120 of Chapter 7, Division 2, Title 17, Guam Code Annotated; To Amend § 8502 of Article 5, Chapter 8 of Title 12, Guam Code Annotated; and To Amend § 5008.2 of Part A, Article 1, Chapter 5 of Title 5, Guam Code Annotated, Relative to Strengthening the Purchase or Lease-Back of Renewable Energy Purchase of Service for the Department of Education, Guam Academy Charter Schools, the Guam Community College and the University of Guam*

Håfa Adai Mr. Chairman and Senators,

Thank you for the opportunity to testify on Bill 219-35.

GPA does not support this Bill. This legislation and similar ones, whether pending or passed by this body, are not supported by complete data required for proper economic and technical feasibility analysis. The data must be vetted by technical experts and responsible institutions, such as the CCU, PUC and other stakeholders.

GPA supports the intent of Bill 219, which is to find lower-cost energy solutions for GDOE and other educational institutions. I request the Legislature pause further action on this legislation to allow the utility to prepare its recommendation to the CCU, PUC and the Legislature on a responsible, viable energy path for educational institutions. If passed in its current form, Bill 219 will ultimately result in higher costs and substantial risk for the participating education institutions and/or GPA ratepayers.

The Legislature passed Bill 80-35 (Public Law 35-46) mandating Renewable Portfolio Standards of 50% by 2035 and 100% by 2045. GPA is currently on track to achieve 25% by 2023. We are updating the Integrated Resource Plan (IRP) to achieve, at minimum, the 2035 50% target by 2030. The COVID-19 pandemic has delayed our completion of the IRP but anticipate it will be finalized by June 2021. The IRP will consider different models including utility scale, roof top, community solar and solar farming to name a few. The plan will also address infrastructure upgrades necessary to integrate all the renewable models in a reliably and sustainable manner.

I estimate the financial impact of Bill 219 to be potentially over \$7M per year and nominally over \$140M over 20 years and \$280M over 40 years. The burden will be borne by the GPA ratepayers who are not Net Metering customers. This, in my opinion, would result in increased rate impacts for approximately 50,000 unfortunate non-Net Metering ratepayers. One could say that the electric ratepayers will be paying a tax which should be paid by the entire community and not just GPA ratepayers.

GPA filed a docket before the PUC to phase out NEM credits from full retail to GPA's avoided cost. The PUC has noted it would address the issue once NEM nominal capacity reaches 26,000 KW. Currently it is at about 24,600 KW from about 2,200 customers. The proposed addition of total NEM capacity for educational institutions will more than double the current 24,600 kW NEM capacity. Bill 219 is mandating NEM for institutions which set their rates for the contract term and therefore interferes with the PUC authority as a utility rate setting body and, in my opinion, interferes with GovGuam bond covenants. Additionally, Bill 219 creates an unfunded mandate by directing a specific group of ratepayers utilize the system grid at no cost at a full retail rate credit with an impact as noted above.

I offer the following comments regarding key language or provisions of Bill 219:

- A 40-year term is not advisable. Significant technology improvements typically occur over a 20-year period. Locking into a fixed technology binds the institution and limits future opportunities. Additionally, even with a low 1% escalator of the contract rate, the contracted energy cost to the institution will double in 40 years.
- NEM is a distribution system model. Having energy generated at another location for certain schools is a wheeling through the transmission system model. Wheeling brings technical issues and would be an unfair practice for ratepayers because it allows someone to utilize the infrastructure for their sole benefit.
- GPA's system analysis is performed by professional engineers and assisted by consultants, as necessary. GPA has over ten (10) registered professional engineers who regularly address current system reliability and its future-state with renewables. Independent consultants not under contract with GPA cannot offer realistic, viable solutions that address these complex system issues. Unlike GPA engineers and its professional consultants, the independent consultants lack familiarity and accountability for the system. I asked that you allow GPA and our professional team to determine what is needed for the system we are accountable for and not mandate studies as noted.
- Energy Storage System (ESS) such as batteries are required for all future solar PV production tied into the grid, including utility-scale and customer-scale renewables. Solar PV produces intermittent energy; the system can no longer absorb this intermittent, uncontrolled energy. Additionally, the "Duck Curve" which occurs during the day must be limited to avoid system interruptions. This would be the only way for GPA to achieve the Renewable Portfolio Standards.

I have attached testimony provide earlier this year on Bill 196-35, which was similar to Bill 219-35. In it I laid out recommendations to achieve a lower cost and sustainable energy future for GDOE which could also be applied to other institutions. I will not read my former testimony into the record today, but provide it as part of Bill 219's record.

Also attached are two (2) recent articles which describe the experiences of other communities and utilities as they attempt to achieve their 100% renewable energy goal. GPA is cautious to avoid the costly lessons learned by others while we expediently work toward a reliable, resilient renewable energy future for the benefit of all ratepayers.

Thank you for the opportunity to testify on Bill 219-35.

Si Yu'os Ma'āse',



JOHN M. BENAVENTE, P.E.  
General Manager

Attachments:

1. Benavente J, Guam Power Authority, 2<sup>nd</sup> Supplemental Testimony re. Bill 196-35 (LS), February 5, 2020.
2. KIUC Asks for Energy Conservation; Rolling Outages Possible 2020, accessed 23 October 2020, < <https://website.kiuc.coop/sites/kiuc/files/documents/newsrelease/pr2020-1020%20KIUC%20asks%20for%20energy%20conservation%20and%20announces%20possible%20rolling%20outages.pdf>>.
3. Urry, A 2017, 'Tesla Is Turning Kauai Into a Renewable Energy Paradise', *Wired*, 10 August, accessed 23 October 2020, < <https://www.wired.com/story/tesla-is-turning-kauai-into-a-renewable-energy-paradise/>>.

//



## GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN  
P.O. BOX 2977 • HAGĀTŊA, GUAM U.S.A. 96932-2977

February 5, 2020

Honorable Telenia C. Nelson  
*I Mina' Trentai Singko Na Liheslaturan Guåhan*  
173 Aspinall Ave., Ste. 202A  
Hagåtña, Guam 96910  
*Via email: senatortcnelson@guamlegislature.org*

Honorable Joe S. San Agustin  
*I Mina' Trentai Singko Na Liheslaturan Guåhan*  
761 South Marine Corps Dr., Ste. 203  
Tamuning, Guam 96931  
*Via email: senatorjoessanagustin@gmail.com*

Re: 2<sup>nd</sup> Supplemental Testimony re. Bill 196-35 (LS)  
*AN ACT TO AMEND § 7116(a) AND (d), BOTH OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GUAM DEPARTMENT OF EDUCATION (GDOE) TO ENTER INTO POWER PURCHASE AGREEMENTS (PPA) TO PURCHASE SOLAR ENERGY FROM QUALIFIED PROVIDER(S)*

Dear Senators:

The Guam Power Authority provides further information to the proposed amendments to Chapter 7, Division 2, Title 17, Guam Code Annotated, specifically to amend the authority to procure Power Purchase Agreement (PPA) via a Multi-Step Bid from GSA to Guam Department of Education (GDOE).

The legislation should be flexible to allow GPA to contract directly for solar pv energy for GDOE. GPA contracting for an energy agreement for GDOE allows GPA to provide its full complement of expertise and services to GDOE's benefit. A process which receives contract approval by the Consolidated Commission on Utilities and the Public Utilities Commission mitigates significant risk that GDOE enters in agreements which does not result in the intent of the bill.

### **PROCUREMENT & CONTRACT MANAGEMENT SERVICES**

GPA offers its services to conduct the procurement for GDOE in order to ensure the intent of the bill is accomplished in an effective and most efficient manner for the benefit of GDOE, GPA ratepayers and the island community. To achieve lower energy costs while concurrently improving the infrastructure for years to come requires a comprehensive and implementable plan, and a team experienced and successful in executing this task for GDOE. GPA has the complete engineering and procurement team to make this happen. GPA is competent and able to accomplish the following which is necessary for success:

#### **Assessment**

- Review existing information and survey facilities to determine best candidates for solar PV systems. Prepare a plan and recommendation to install PV systems in certain schools, cluster of schools or other viable alternatives.
- The magnitude of solar PV systems which could be installed on GDOE infrastructure would certainly require frequency control system or Energy Storage Systems (ESS), such as batteries, in order to be tied into the grid. GPA would evaluate whether one system or individual systems would be required; and would work to minimize its cost impact. All of GPA's solar PV systems are being installed with ESS in order to improve power quality.

#### Procurement

- Prepare bid specifications and issue a multi-step procurement tender. Venders can ask questions, provide suggestions and recommendations during the question and comment period of the multi-step bid. Site visits would also be planned. This process is complex and technical, and must be well-documented to avoid misunderstandings amongst bidders and avoid or minimize bid protests. This process is strictly monitored and controlled by GPA's procurement department which has successfully awarded over 140,000 kW of Solar PV PPAs over recent years.
- Determine lowest responsive and responsible bidder. Prepare packages and recommendations for award. Address any protest(s) received. Defend decision at OPA appeals or other legal venues which bidders may pursue. Provide the volumes of documents requested through this process or FOIA request.

#### Approval & Award

- Obtain approval of the Consolidated Commission on Utilities (CCU) for award and the Public Utilities Commission (PUC) as required, and most especially if changes in rates are required to implement the award. As mentioned earlier, customers in the current Net Metering Program do not pay for using the island-wide power grid. GPA has petitioned the PUC to reduce this subsidy by crediting only the avoided cost which, if approved, could make a power purchase agreement more expensive and end up subjecting GDOE to higher costs over the 20-year contract. I would propose the PUC set a new rate to avoid GDOE incurring higher costs. I believe the savings being calculated for GDOE today are being based on a subsidized NEM program. The addition of GDOE into this program will result in increased cost to other ratepayers.
- The award of a PPA requires performance guarantees for the contract to be successful. Therefore, the project has to be successfully constructed and monitored over time. This would require construction management services and engineering expertise over the period. GPA has the expertise to achieve this requirement.

#### Additional Considerations

- The Net Metering Program has capacity limits of 25 KW for residential and 100 kW for non-residential customers. This could limit what GDOE could install at each school. A procurement which goes through the CCU/PUC process could be treated differently than the current NEM program because these entities have the authority to make the changes. We are all united in our support of our island's education system by improving GDOE infrastructure with energy cost savings without significantly impacting other utility ratepayers.
- GDOE's proposed system may likely trigger an interconnection study depending on the interconnection voltage, solar PV system size, and other characteristics.
- A 20-year PPA is a high-risk program, which if not carefully awarded and monitored, could result in unexpected consequences. A GDOE PPA may involve a commitment between \$100M to \$200M over the 20 years. I support the quest of the legislature to find a solution for GDOE and believe GPA conducting this procurement and contracting would minimize all risk. A process which passes through the CCU and PUC would be successful.

### **ENERGY CONSERVATION MEASURES**

The other part of the equation for lower GDOE energy cost and improving its infrastructure is conservation and investing in demand side management systems to reduce its energy consumption. As noted in my Supplemental Testimony re. Bill 196-35 (LS) dated January 23, 2020, investing about \$41M into the infrastructure could net \$4.2M in annual savings. The following outlines the benefits of energy conservation measures:

- The 2019 Siemens study recommended improvements to lighting, air conditioning, energy management systems, water infrastructure and etc. These direct investments will provide system upgrades and new equipment, while concurrently reducing maintenance and energy costs.
- A concerted effort to obtain grants from the federal government and other entities could provide initial and/or sustained funding for the improvements. GPA recently worked with GDOE and successfully received over \$3M in grants to upgrade lighting in four (4) major schools to very efficient and longer-life LED lighting. These upgrades would provide significant direct savings to GDOE while extending the life of lights at the school, thereby reducing maintenance cost.
- Similar to a PPA agreement, GDOE could enter into an energy conversion agreement contract with an investor to install, operate and maintain an energy reduction to infrastructure improvement program over a 10 to 20-year period. The investor would be paid from energy cost reduction while reducing GDOE's annual energy bill. Investor could also be required to provide financing for other much needed improvements. The contractor would be required to monitor and manage energy consumption to ensure prudent energy usage. Under such agreement, GPA could be GDOE's owner/engineer to procure and manage such a contract.

In regard to energy conservation efforts, I reviewed GDOE's energy usage over the past four (4) years. The FY 2019 data for each GDOE school (shown below) is sorted by highest cost of energy consumption (kWh) per student.

Building Name	Electricity (kWh)	Annual Spend	Students	kWh/Student	\$/Student
<b>Southern HS</b>	3,952,613	\$ 1,096,227	1,274	\$ 3,103	\$ 860
<b>Tamuning ES</b>	1,490,316	\$ 409,760	571	\$ 2,610	\$ 718
<b>Liguan ES</b>	1,172,110	\$ 309,123	472	\$ 2,483	\$ 655
<b>Chief Brodie Memorial ES</b>	686,795	\$ 192,448	304	\$ 2,259	\$ 633
<b>Okkodo HS</b>	4,061,058	\$ 1,016,834	1,643	\$ 2,472	\$ 619
<b>Astumbo MS</b>	1,417,741	\$ 369,353	624	\$ 2,272	\$ 592
<b>Oceanview MS</b>	826,259	\$ 240,069	449	\$ 1,840	\$ 535
<b>Inarajan MS</b>	903,396	\$ 266,871	506	\$ 1,785	\$ 527
<b>Adacao ES</b>	1,007,049	\$ 270,867	544	\$ 1,851	\$ 498
<b>Agueda Johnston MS</b>	1,390,748	\$ 377,786	765	\$ 1,818	\$ 494
<b>Tiyan HS</b>	2,184,489	\$ 588,950	1,201	\$ 1,819	\$ 490
<b>P.C. Lujan ES</b>	604,588	\$ 163,107	349	\$ 1,732	\$ 467
<b>F.B. Leon Guerrero MS</b>	1,789,827	\$ 492,641	1,108	\$ 1,615	\$ 445
<b>C.L. Taitano ES</b>	842,292	\$ 243,274	563	\$ 1,496	\$ 432
<b>J.Q. San Miguel ES</b>	819,468	\$ 213,398	498	\$ 1,646	\$ 429
<b>George Washington HS</b>	2,195,420	\$ 634,583	1,497	\$ 1,467	\$ 424
<b>John F. Kennedy HS</b>	2,784,516	\$ 724,413	1,768	\$ 1,575	\$ 410
<b>Upi ES</b>	847,284	\$ 251,724	655	\$ 1,294	\$ 384

<b>Inarajan ES</b>	378,793	\$ 101,058	263	\$ 1,440	\$ 384
<b>Machananao ES</b>	559,958	\$ 175,126	472	\$ 1,186	\$ 371
<b>Wettengel ES</b>	843,027	\$ 242,359	660	\$ 1,277	\$ 367
<b>Vicente S.A. Benavente MS</b>	1,504,652	\$ 410,666	1,128	\$ 1,334	\$ 364
<b>Ordot Chalan Pago ES</b>	628,497	\$ 171,457	471	\$ 1,334	\$ 364
<b>L.P. Untalan MS</b>	1,348,948	\$ 366,369	1,007	\$ 1,340	\$ 364
<b>M.A. Sablan ES</b>	540,204	\$ 153,871	427	\$ 1,265	\$ 360
<b>Merizo Martyrs Memorial ES</b>	330,472	\$ 91,569	259	\$ 1,276	\$ 354
<b>LBJ ES</b>	415,973	\$ 108,816	311	\$ 1,338	\$ 350
<b>Carbulido ES</b>	609,571	\$ 152,924	457	\$ 1,334	\$ 335
<b>Truman ES</b>	463,812	\$ 133,344	399	\$ 1,162	\$ 334
<b>Astumbo ES</b>	533,131	\$ 178,068	574	\$ 929	\$ 310
<b>Agana Heights ES</b>	403,487	\$ 109,489	356	\$ 1,133	\$ 308
<b>M.U. Lujan ES</b>	502,710	\$ 168,823	591	\$ 851	\$ 286
<b>Juan M. Guerrero ES</b>	479,488	\$ 161,364	567	\$ 846	\$ 285
<b>Captain Price ES</b>	712,470	\$ 198,559	706	\$ 1,009	\$ 281
<b>Simon Sanchez HS</b>	1,664,731	\$ 434,607	1,661	\$ 1,002	\$ 262
<b>Talofofo ES</b>	270,617	\$ 77,133	304	\$ 890	\$ 254
<b>Daniel L. Perez ES</b>	648,580	\$ 197,074	780	\$ 832	\$ 253
<b>Maria A. Ulloa ES</b>	577,780	\$ 172,214	683	\$ 846	\$ 252
<b>Jose Rios MS</b>	655,675	\$ 216,314	879	\$ 746	\$ 246
<b>J.P. Torres ES</b>	95,928	\$ 32,830	157	\$ 611	\$ 209
<b>Finegayan ES</b>	443,999	\$ 149,722	909	\$ 488	\$ 165
<b>Totals:</b>	<b>43,588,472</b>	<b>\$ 12,065,184</b>	<b>28,812</b>	<b>\$ 1,513</b>	<b>\$ 419</b>

**Observations:**

- The average cost for energy per student in FY 2019 was \$419 per year.
- JFK which was recently re-built and GWHS are the benchmark average.
- The top 10 schools which were above average translate to \$1.5M in higher cost.
- The leased schools' energy cost per student are substantially higher than the average and are in the top 10. A review of the variables causing this should be pursued. This information would be valuable as GDOE pursues new schools and to insure it considers energy efficiency in its procurement.
- I recommend an incentive program be established for GDOE schools. The incentive program would be one which allows energy savings above a certain benchmark to be provided back to the school to use for their individual programs, most especially programs typically receiving financing through external fundraisers. I believe such an incentive, would encourage principals and teachers to make all efforts to save energy because it would result in funds specifically available for their needs. I am not certain if this process would need only GDOE Board approval or if it requires specific legislation in order to appropriate savings directly to schools.

I provide my insight and suggestions for your consideration. I am available for discussions or questions prior to the Thursday roundtable meeting, should you so desire. Thank you for the opportunity to comment.

Si Yu'os Ma'ase',

/s/

JOHN M. BENAVENTE, P.E.  
General Manager



**SIEMENS**  
*Ingenuity for life*

# JOHN F. KENNEDY HIGH SCHOOL

## GPA BEST Schools Program – GDOE Preliminary Feasibility Assessment

Presented by Guam Power Authority & Siemens Industry, Inc. – Building Technologies Division

Restricted © Siemens AG 2018

November 14, 2018

# Introduction to GPA / Siemens Team



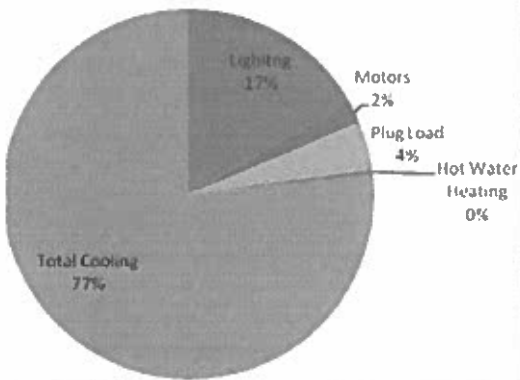
- 1 John Cruz, PE – Assistant General Manager of Engineering & Technical Services, GPA
- 2 Jennifer Sablan, PE – Division Manager of Strategic Planning & Operations Research Division, GPA
- 3 Amber McDonough, PE – Business Development Manager, Pacific Zone, Siemens
- 4 Alex Ramos, PE – Senior Energy Engineer, Pacific Zone, Siemens
- 5 John De Maio – General Manager, Pacific Zone Building Performance & Sustainability, Siemens

# Agenda



**SIEMENS**  
*Ingenuity for life*

- 1 Overview of Report Findings
- 2 Review of Recommendations
- 3 Path Forward / Support from GPA
- 4 Next Steps

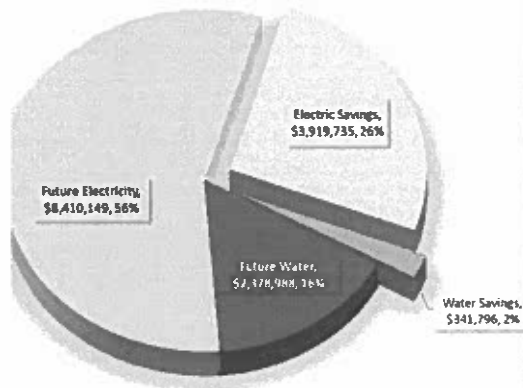


- GPA pledged initial seed money of \$500,000 for BEST Schools study and pilot project to demonstrate recommended FIMs
- Preliminary feasibility study to help GDOE:
  - 1) Achieve 10% energy consumption reduction & deploy renewable energy
  - 2) Assist GDOE to plan & prioritize actions to reduce operations expenditures, modernize their infrastructure & extend equipment life
- Audited 39 schools (26 ES, 8 MS & 5 HS) = ~4,000,000 sqf
- Explored viability of these key facility improvements measures (FIMs):
  - a. Solar Photovoltaic (PV) Systems
  - b. Heating Ventilation & Air-Conditioning (HVAC) Systems
  - c. Water/Wastewater Systems
  - d. Energy Management Systems (EMS)
  - e. Lighting Systems
  - f. Operations & Maintenance (O&M) Efficiencies

# GPA BEST Schools Overall Findings



**SIEMENS**  
Ingenuity for life



- 1) Study included an existing conditions summary & utility cost and savings analysis by school.
- 2) Recommendations are prioritized and ranked based on our preliminary estimates of their implementation costs and expected savings by FIM.
- 3) New pathways for GDOE to cost-effectively fund, procure, and construct these improvements were explored.

*During 2017/2018 school year GDOE expenditures =  
**\$12,329,000 on electricity & \$2,720,000 on water = \$15,050,000 / year***

*Total potential project cost to implement all FIMs = **\$41,450,000***

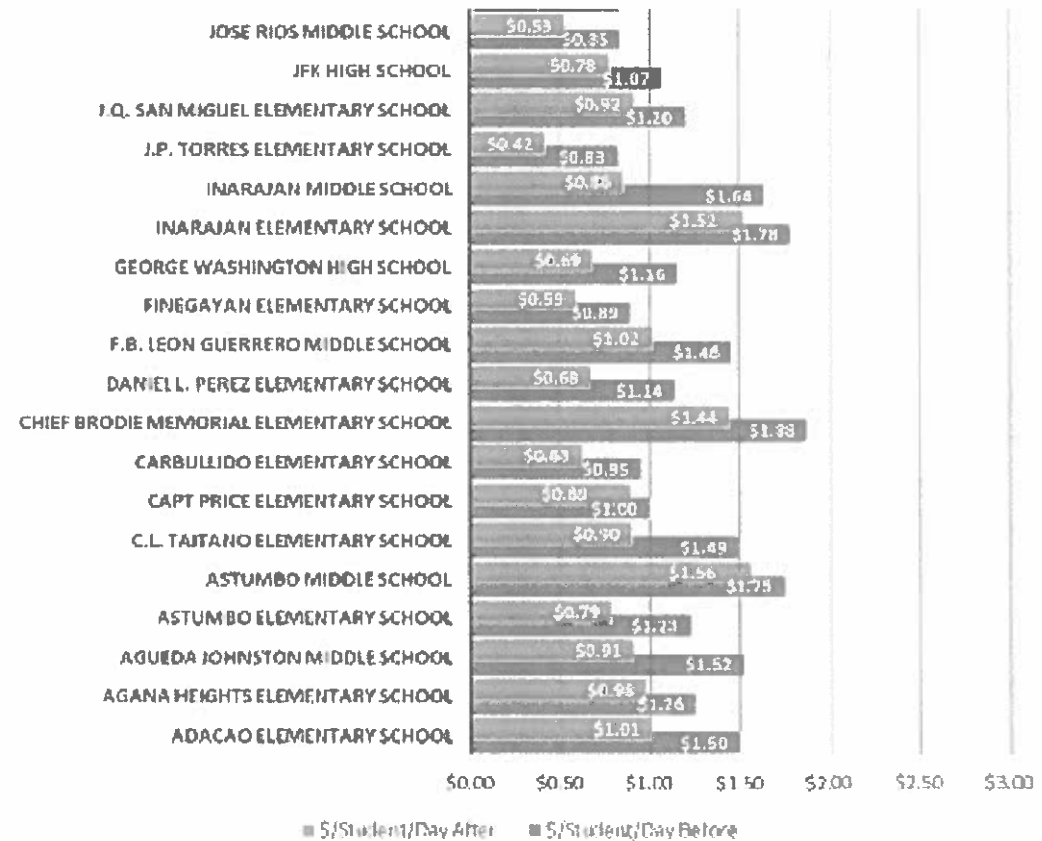
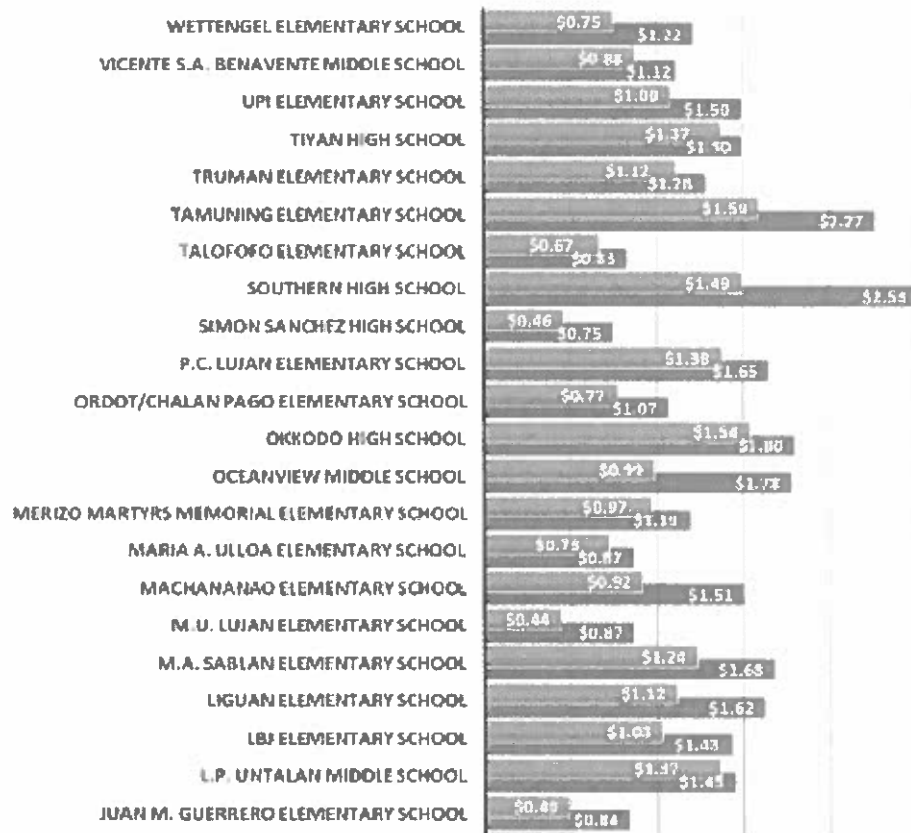
*Predicted savings of **11,629,000 kWh electricity + 15,579 kGal water**  
**= \$4,261,000 / year = 27% cost reduction***

***\*\* The energy project's utility savings would pay for itself in 9.7 years \*\****

# Utility Spend per Student / Year Before & After Project (pg 2-10)



**SIEMENS**  
*Ingenuity for life*



Confidential © Siemens 2018

Page 6

14.11.2018

Location	Energy Management Systems	Water Conservation	LED Lighting	Solar PV	Solar Assisted AC	Plug Load Controllers
Adacao ES		x	x	x		x
Agana Heights ES	x	x	x	x		x
Agueda Johnston MS	x	x	x	x	x	x
Astumbo ES		x	x	x		x
Astumbo MS		x	x			x
C.L. Taitano ES	x	x	x	x	x	x
Captain Price ES		x	x	x		x
Carbulido ES	x	x	x			x
Chief Brodie Memorial ES	x	x	x			x
Daniel L. Perez ES	x	x	x	x		x
F.B. Leon Guerrero MS	x	x	x	x	x	x
Finegayan ES		x	x	x	x	x
George Washington HS	x	x	x	x	x	x
Inarajan ES		x	x			x
Inarajan MS	x	x	x	x		x
J.P. Torres ES		x	x	x		x
J.Q. San Miguel ES	x	x	x			x
John F. Kennedy HS		x	x	x		x
Jose Rios MS		x	x	x	x	x
Juan M. Guerrero ES		x	x	x	x	x
L.P. Untalan MS		x	x			x
LBJ ES	x	x	x			x
Liguan ES		x	x	x		x
M.A. Sablan ES		x	x	x		x
M.U. Lujan ES		x	x	x		x
Machananao ES	x	x	x	x		x
Maria A. Ulloa ES		x	x			x
Merizo Martyrs Memorial ES	x	x	x			x

## Priority FIMs by School (pg 2-3)



**SIEMENS**  
Ingenuity for life

Location	Energy Management Systems	Water Conservation	LED Lighting	Solar PV	Solar Assisted AC	Plug Load Controllers
Oceanview MS	x	x	x	x		x
Okkodo HS		x	x	x		x
Ordot Chalan Pago ES	x	x	x	x		x
P.C. Lujan ES	x	x	x			x
Simon Sanchez HS	x	x	x	x	x	x
Southern HS	x	x	x	x	x	x
Talofofo ES		x	x			x
Tamuning ES	x	x	x	x		x
Truman ES		x	x			x
Tiyan HS		x	x			x
Upi ES		x	x	x	x	x
Vicente S.A. Benavente MS	x	x	x	x	x	x
Wettengel ES	x	x	x	x		x
GDOE Headquarters				x		x

NOTE: Not all schools are checked for Energy Management Systems. While all schools would benefit from having this FIM installed, not all schools are included at this stage due to sufficient energy savings at specific schools.

# Potential Costs, Savings & Simple Payback by School (pg 2-11 to 2-13)



**SIEMENS**  
Ingenuity for life

School	Electric Savings (kWh)	Water Savings (gallons)	Utility Cost Savings (\$)	Project Costs (\$)	SPB (Years)
Adacao Elementary School	203,118	258,750	\$95,127	\$960,937	10.10
Agana Heights Elementary School	135,068	203,367	\$40,899	\$466,881	11.42
Agueda Johnston Middle School	488,574	478,393	\$171,898	\$1,658,704	9.65
Astumbo Elementary School	239,543	283,802	\$92,792	\$1,008,572	10.87
Astumbo Middle School	139,834	374,312	\$41,315	\$367,685	8.90
C.L. Taitano Elementary School	355,754	295,485	\$129,908	\$1,401,986	10.79
Capt Price Elementary School	55,844	331,275	\$27,354	\$370,132	13.53
Carbullido Elementary School	222,638	247,198	\$58,555	\$267,138	4.56
Chief Brodie Memorial Elementary School	202,183	179,085	\$52,235	\$527,814	10.10
Daniel L. Perez Elementary School	375,640	328,957	\$111,715	\$1,267,719	11.35
F.B. Leon Guerrero Middle School	644,646	682,836	\$179,992	\$1,397,077	7.76
Finagayan Elementary School	234,299	441,715	\$92,681	\$1,007,279	10.87
George Washington High School	782,975	968,416	\$280,396	\$2,900,117	10.34
Inarajan Elementary School	84,238	129,265	\$22,896	\$225,403	9.84
Inarajan Middle School	395,293	315,941	\$139,122	\$1,369,913	9.85
Truman Elementary School	78,154	188,006	\$22,652	\$161,315	7.12
Triyan High School	185,984	763,571	\$60,457	\$531,619	8.79
Upi Elementary School	951,752	416,188	\$132,080	\$1,258,893	9.53
Vicente S.A. Benavente Middle School	370,050	707,936	\$103,480	\$957,237	9.25
Wettengel Elementary School	319,475	346,486	\$120,535	\$1,233,694	10.24
GDOE Headquarters	123,303	0	\$47,497	\$736,565	15.51
<b>Totals</b>	<b>12,314,273</b>	<b>16,495,804</b>	<b>\$4,261,531</b>	<b>\$41,449,903</b>	<b>9.73</b>

School	Electric Savings (kWh)	Water Savings (gallons)	Utility Cost Savings (\$)	Project Costs (\$)	SPB (Years)
J.P. Torres Elementary School	61,800	118,733	\$25,342	\$378,401	14.93
J.Q. San Miguel Elementary School	192,893	272,411	\$51,939	\$370,402	7.13
JFK High School	446,448	864,969	\$201,176	\$1,699,484	8.45
Jose Rios Middle School	222,118	497,080	\$94,564	\$980,460	10.37
Juan M. Guerrero Elementary School	223,569	333,661	\$91,437	\$1,010,983	11.06
L.P. Untalan Middle School	89,132	682,104	\$35,525	\$224,515	6.32
LBJ Elementary School	133,612	144,557	\$35,062	\$619,520	17.67
Liguan Elementary School	217,844	265,109	\$102,762	\$995,042	9.68
M.A. Sablan Elementary School	203,324	217,306	\$70,271	\$953,507	13.57
M.U. Lujan Elementary School	235,373	305,842	\$93,838	\$968,405	10.32
Machananao Elementary School	321,414	254,395	\$114,171	\$1,202,029	10.53
Maria A. Ulloa Elementary School	123,422	345,780	\$36,786	\$307,853	8.37
Merizo Martyrs Memorial Elementary School	79,414	136,889	\$21,895	\$221,027	10.09
Oceanview Middle School	316,160	304,735	\$125,426	\$1,433,207	11.43
Okkodo High School	355,159	959,627	\$156,011	\$1,395,397	8.94
Ordos/Chalan Pago Elementary School	177,376	250,833	\$53,833	\$606,330	11.26
P.C. Lujan Elementary School	142,124	220,599	\$38,681	\$407,244	10.53
Simon Sanchez High School	516,306	1,098,606	\$195,371	\$1,841,921	9.43
Southern High School	1,810,241	823,937	\$528,557	\$4,384,436	8.30
Talofoto Elementary School	62,522	152,591	\$18,167	\$172,189	9.48
Tamuning Elementary School	395,658	305,060	\$147,131	\$1,200,871	8.16

## Notes:

- 1) Figures shown are high level budgetary estimates with a range of  $\pm 20\%$  and should be confirmed with future site investigations and detailed design development.
- 2) Potential savings do not account for resultant O&M repair cost reductions from implementing these FIMs; Actual net benefits to GDOE are expected to be greater than shown.



1) **Ensure Water Bill Accuracy**; billed water meter use = actual meter readings.

2) **Identify & repair existing Water Leaks**; If leak cannot be immediately repaired, shut off water at night or on weekends to reduce water bills until the leak fixed.

3) Request GPA Customer Service's evaluate all schools' for **Electric Rate Schedule Changes** to lower electricity costs; Repeat every 6 months.

4) Continue implementing comprehensive **LED Lighting Retrofits** to lower electrical demand and consumption costs & improve light quality in schools.

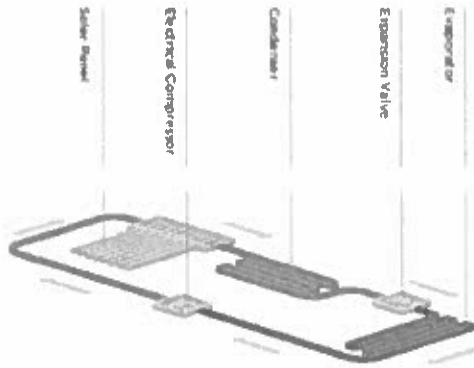
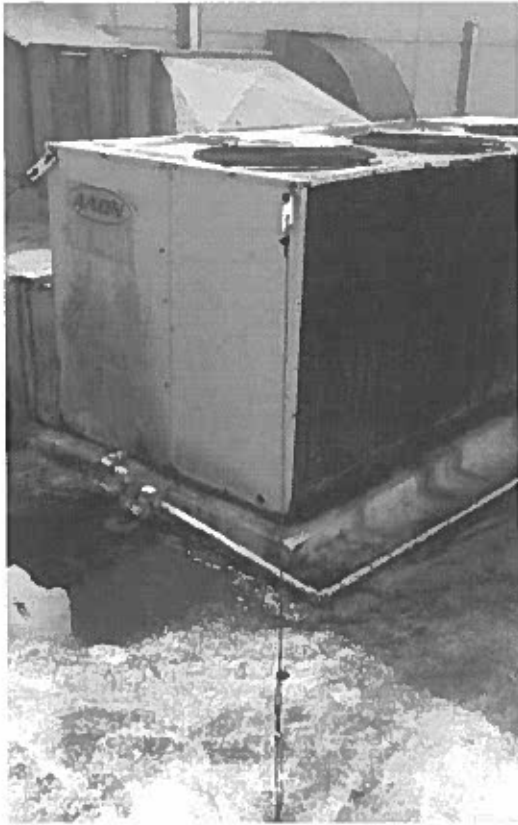


Figure 4-2 Schematic of Solar Assisted AC

5) Install **solar assisted thermal on AC units** > 10 tons to reduce electrical load.

6) Install **Solar PV systems** to lower electricity costs in conjunction with Electric Rate Schedule changes to maximize economic benefits.

7) Run split system **AC units in 'Dry Mode' at night** (if available), instead of cooling mode to reduce excess humidity and condensation.



8) **Avoid over cooling spaces;** Enforce min. space temperature setpoint = 75°F & educate staff & students on importance.

9) **Review effectiveness of existing HVAC maintenance contracts;** consider increasing GDOE's "in-house" staff for more frequent & cost-effective maintenance to extend AC equipment life & reduce repair costs.

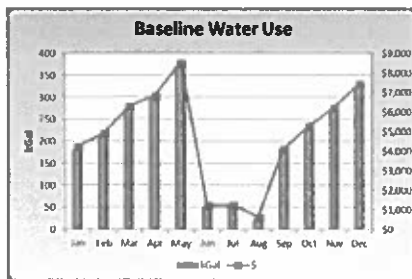
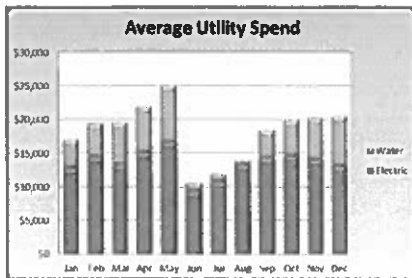
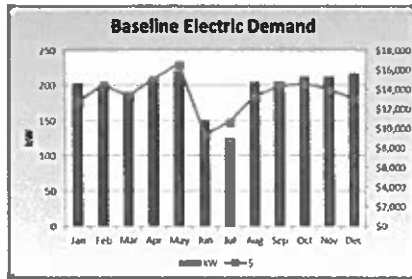
10) Utilize a modern **computerized maintenance management system (CMMS)** to generate work orders & track execution of district's HVAC systems' service.

*Note: Wide-scale high-efficiency AC unit replacements were not included as a priority recommendation at this time; GDOE will not reap the full benefit from extra money spent on advanced AC unit capabilities & increased SEER rating until the equipment O&M is able to prolong unit life > 5 years. In this study only new controls are recommended, however any future detailed development would seek to incorporate new high-efficiency AC units wherever possible.*

# GPA BEST Schools Future Recommendations



**SIEMENS**  
*Ingenuity for life*



- 1) Convert & consolidate multiple ductless split system AC units into larger, single **Variable Refrigerant Flow (VRF) system** to save electricity & O&M costs.
- 2) Install **rain water capture & storage** systems for toilets and urinals to reduce water bills.
- 3) Develop **Procurement Specification Standards** to improve GDOE's repair & maintenance efficiency, increase staff equipment proficiency, and reduce spare parts inventory. Standards could include:
  - a) Minimum SEER rating
  - b) Mandatory corrosion coating
  - c) Preferred / limited equipment brands.
- 4) Expand Procurement Specification Standards to require all **new HVAC systems to have dehumidification capabilities & dew point temperature control to 55°F** to prevent excess condensation.

# GPA BEST Schools Pilot Project Recommendations



**SIEMENS**  
*Ingenuity for life*



- Pilot gives GDOE the opportunity to **explore new technologies & effectiveness recommended FIMs** that can be extrapolated district wide.
- GDOE can “**try before they buy**” innovative FIMs on a small scale without risk of over committing to a technology that may not be a good fit.
- Propose pilot implementation at one of the following schools: **Maria A. Ulloa ES, Agueda Johnston MS or Finegayan ES**; Each has a “twin” school & will allow easy comparison of pilot results with a control school.
- A pilot at one of these schools will enable GPA to showcase & compare FIMs that are new to GDOE such as:
  - 1) Variable Refrigerant Flow (VRF)
  - 2) Solar Assisted AC
  - 3) Ceiling Insulation
  - 4) Building Automation
- GPA & Siemens will work with GDOE to finalize the pilot project's scope of work to maximize the impact of its \$250,000 construction budget.

# Challenges to Adopting BEST Schools Plan District Wide



**SIEMENS**  
*Ingenuity for life*



- **Insufficient government funding** for adequate facility maintenance or needed infrastructure improvements; GDOE's funding is often cut or in jeopardy of being reduced on a year to year basis.
- **Limited in-house manpower** to perform the recommended day-to-day maintenance tasks or respond to emergency repairs; Difficult to retain skilled workers & need to outsource large portion of the recurring O&M service
- **Low bid procurement methodology** drives down the first cost of equipment & construction, but is not best use of GDOE's limited funds over long term from maintenance, efficiency, and sustainability standpoint.
- **AC units as Disposable Equipment**, to be purchased, minimally serviced & then replaced; prevents GDOE from justifying added cost for more efficient equipment or enforcing higher quality specification standards.
- **Ongoing financial challenges** have negatively impacted GDOE's ability to pursue funding for FIMs through traditional capital requests or bonds; GDOE struggles to secure federal grants & comply with reporting requirements.

## A Time for Change has Arrived



**SIEMENS**  
*Ingenuity for life*



***“Business as usual” is no longer a viable option; Ongoing school deferred maintenance is continuing to amass causing:***

- Comfort issues for students and staff
- Erosion to GDOE’s limited budget with expensive emergency repairs
- Damage to GDOE’s ability to create an effective learning environment
- Difficulty attracting & retaining highly skilled teachers
- Risk of tarnishing of the district’s overall reputation within territory

## New Path Forward for BEST Implementation



**SIEMENS**  
*Ingenuity for life*



GDOE is able to take advantage GPA's support programs such as:

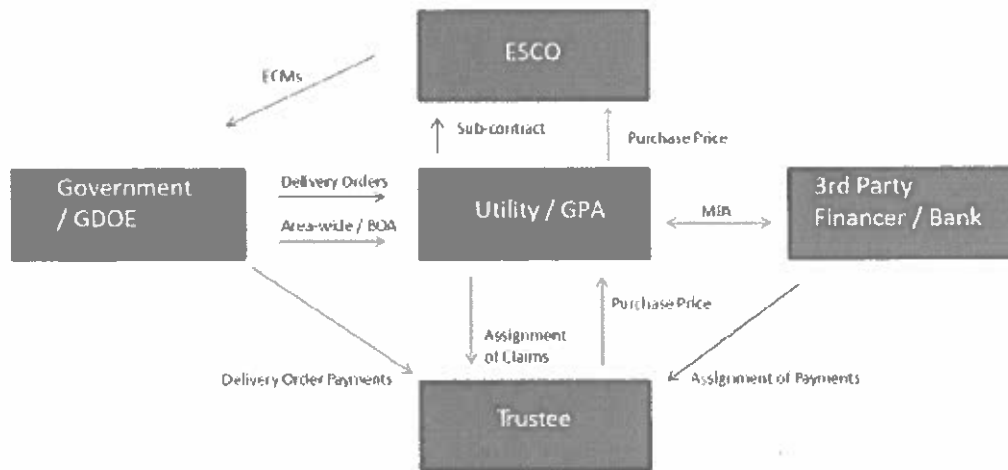
- 1) **Demand Side Management (DSM) Program / BizConnect:** free access to view detailed energy use information on a meter by meter basis
- 2) **DSM Program Commercial Rebates:** program provides fixed rebates for replacing inefficient lights and AC units with more efficient equipment (pending funding renewal).
- 3) **Grant Application & Implementation Assistance:** GPA will help the district secure grants such as those offered by the U.S. DOI Office of Insular Affairs. GPA will also provide turn-key design-build services to expedite final design & construction of the improvements & provide grant reporting help.

## New Path Forward for BEST Implementation (cont.)



**SIEMENS**  
*Ingenuity for life*

### Proposed UESC Financing Structure



**4) Utility Energy Service Contract (UESC) Program:** allows federal clients to contract with utilities to perform widespread energy efficiency FIMs with savings that pay for themselves over time. GPA will offer GDOE access to a similar UESC-style partnership to assist with:

- project procurement
- design & implementation
- help GDOE connect with 3<sup>rd</sup> party financing

## New Path Forward for BEST Implementation (cont.)



**SIEMENS**  
*Ingenuity for life*



- 5) Power Purchase Agreements:** GPA can provide GDOE with internally or externally sourced PPAs to assist in the deployment and procurement of solar PV systems as part of a district wide program. Benefits would include:
- A PPA program would lock in a reduced cost of solar PV power for an extended term (typically 20 years).
  - Under a PPA, GDOE would not be liable for any risks or costs associated with solar PV array design, development, procurement, financing, construction, maintenance, power quality, or performance.
  - GPA can provide an in-depth cost analysis on pros and cons of solar PV ownership vs. PPA to help the district determine which option is most advantageous.

## New Path Forward for BEST Implementation (cont.)



**SIEMENS**  
*Ingenuity for life*

- 6) Project Financing:** Possible funding sources to enable GDOE to pursue implementation of FIMs include:
- Tax-exempt municipal lease purchase agreement up to 15 years.
  - Non-appropriation clause to enables public agencies to legally commit to multi-year leases.
  - We have received interest from national lenders Dominion, Bostonia, Siemens Financial Services & potentially Bank of Guam.
  - After project scope or work, firm price proposal, start date, and repayment term are determined established we will work to get offer letters from multiple lenders.
  - Current market interest in GDOE seems to be trending at interest rates (yields) of about 5.0 – 5.25%; (*Dominion indicative rate this week was 7.5% for 15 year term*)
  - This report estimates a total funding need of \$41M with a projected simple payback of 9.7 years. Assuming GDOE can secure financing with the interest rates shown above, our **preliminary modeling indicates a viable cash flow over a 15 year term.**

## New Path Forward for BEST Implementation (cont.)



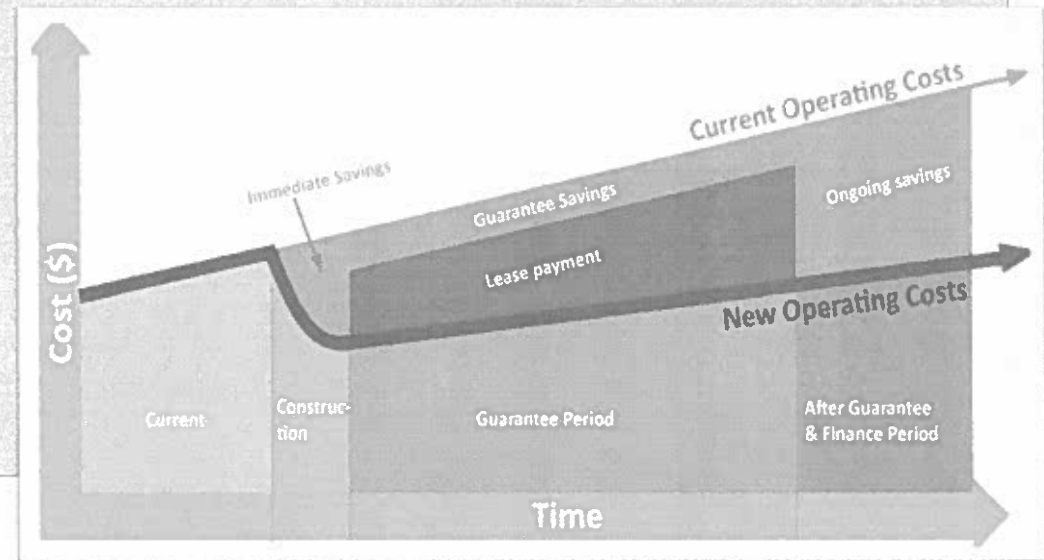
**SIEMENS**  
*Ingenuity for life*

**7) Project Phasing for Success:** The total value of FIMs identified is probably too large to pursue as a single project. We recommend GDOE consider smaller phases to:

- Allow the IGA and project design to be completed more quickly.
- Encourage “on the fence” financial institutions to participate.
- Enable GDOE to start realizing savings more quickly than if they waited for a much larger project’s development to be completed.

A ladder approach would allow GDOE to:

- Start a Phase 1 project (\$5M for example), finish its design, start its construction & then begin on an IGA to scope Phase 2.
- Once onsite work for Phase 1 is complete, construction of Phase 2 could begin, along with the kick-off for a Phase 3 IGA.





GPA seeks to use the BEST Schools Program to help GDOE:

- 1) Transform its inventory of schools to be resilient, energy efficient & sustainable facilities.
- 2) Achieve legislative mandate to reduce energy consumption by 10% & deploy renewable energy systems.
- 3) Use creative intra-agency agreements to provide new cost-effective ways to fund, procure, and construct critical facility improvements.
- 4) Capture reductions in energy, water, and maintenance costs by pursuing UESCs & PPAs that can be used in concert with DSM program.

Next Steps of this GPA/GDOE partnership:

- Schedule a follow up meeting to scope a Phase 1 project
- Sign MOU for an Investment Grade Audit for Phase 1 defining SOW & walk-away fee

## Questions?



**SIEMENS**  
*Ingenuity for life*



**Jennifer Sablan, PE**

Division Manager of SPORD, GPA  
(671) 648-3103

[jsablan@gpagwa.com](mailto:jsablan@gpagwa.com)

**Amber McDonough, PE**

Business Development Manager – Pacific Zone  
(907) 227-3734

[amber.mcdonough@siemens.com](mailto:amber.mcdonough@siemens.com)

**Si Yu'os Ma'åse'!**

[www.siemens.com/perfect-places/energyconsulting](http://www.siemens.com/perfect-places/energyconsulting)



**SIEMENS**  
*Ingenuity for life*

# JOHN F. KENNEDY HIGH SCHOOL

## BEST Schools – Technical Discussion

Presented by Guam Power Authority & Siemens Industry, Inc. – Building Technologies Division

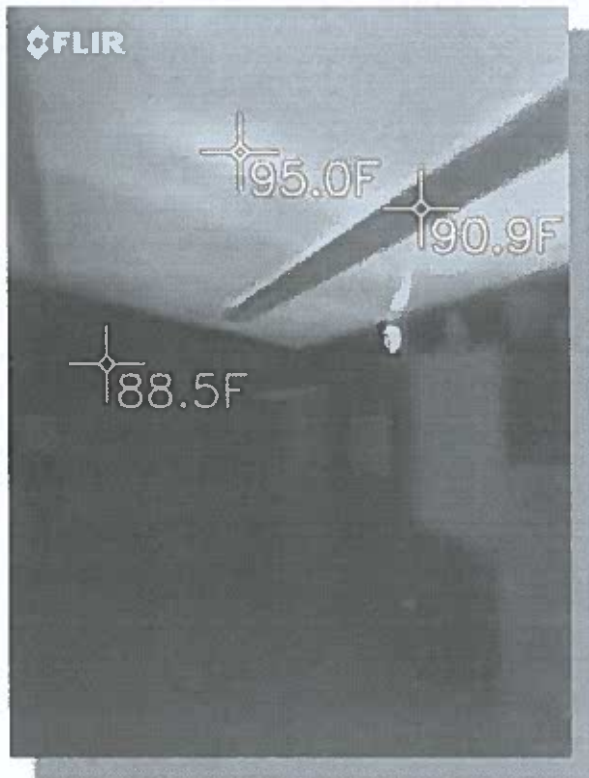
Restricted © Siemens AG 2018

November 14, 2018

# Lack of Ceiling Insulation



**SIEMENS**  
*Ingenuity for life*



**C.L Taitano**

**6/22/2018**

**11:14 AM**

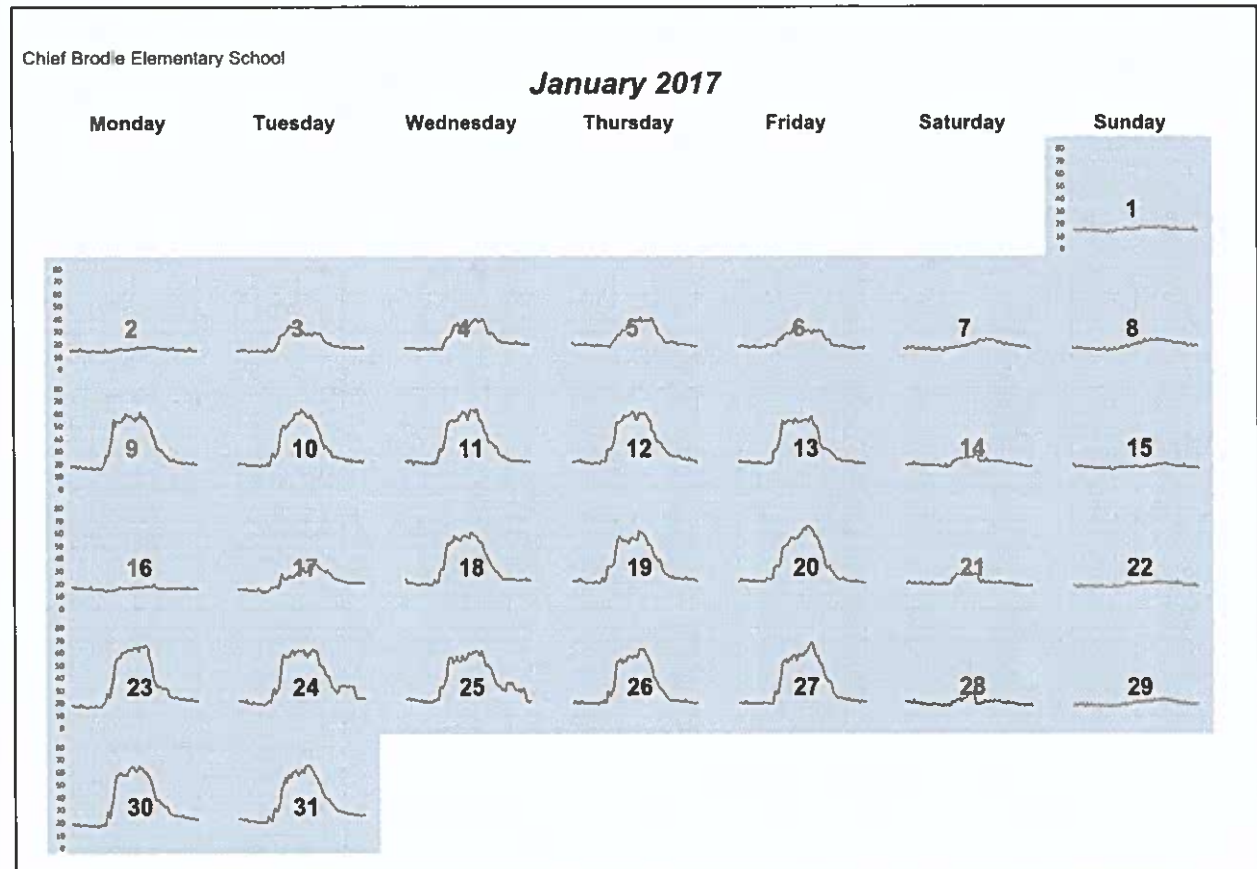


# Electric Load Profile – Chief Brodie ES



**SIEMENS**  
Ingenuity for life

- 1) Flat load profile on weekends and Holidays
- 2) Low base load (~20kW)
- 3) Load Factor = 49.03%

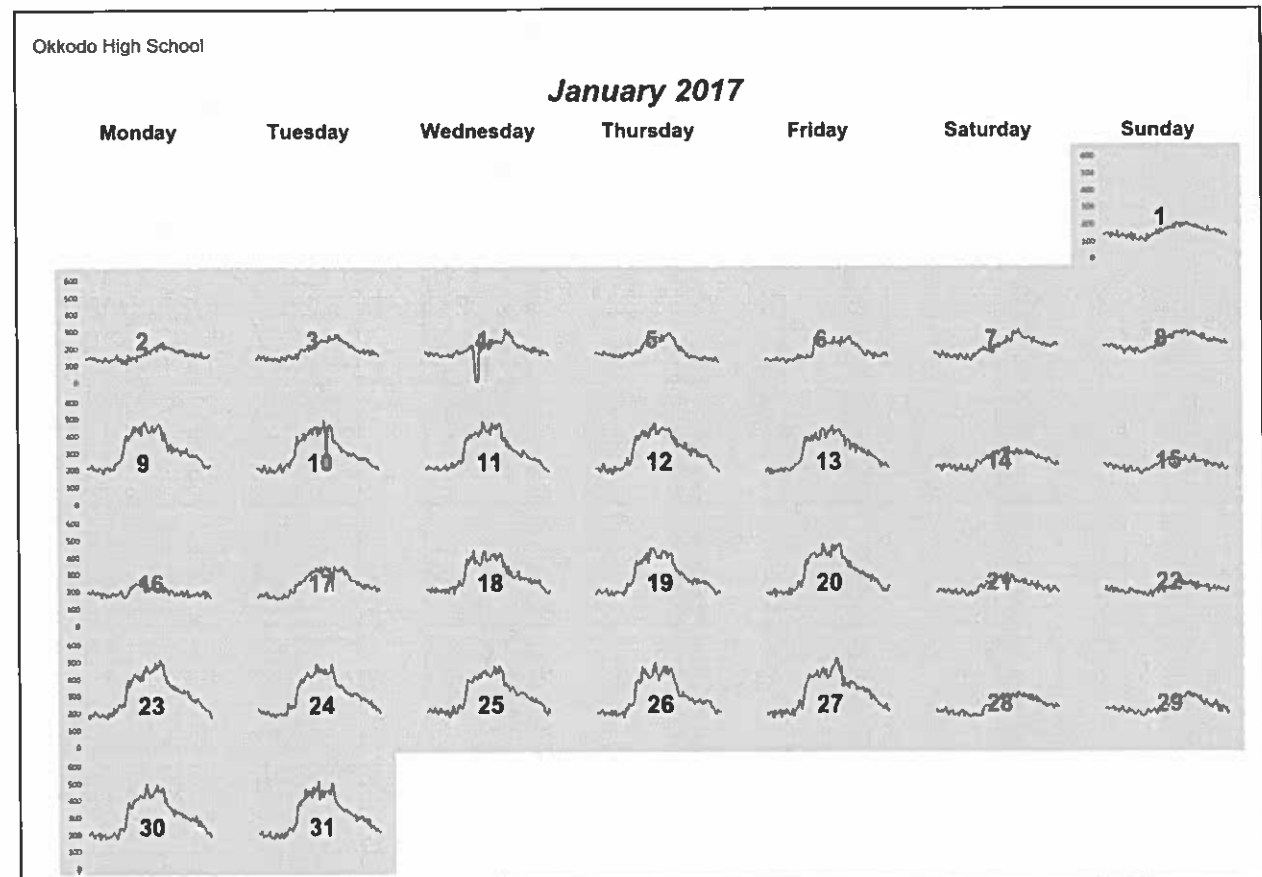


# Electric Load Profile – Okkodo HS



**SIEMENS**  
Ingenuity for life

- 1) Load profile on weekends and Holidays is NOT flat
- 2) High base load (~200kW)
- 3) Load Factor = 49.14%
- 4) Base load of 200kW higher than peak load of many schools
- 5) Okkodo Expansion has base load of 130kW
- 6) Okkodo High School has a base electrical load over 300kW!

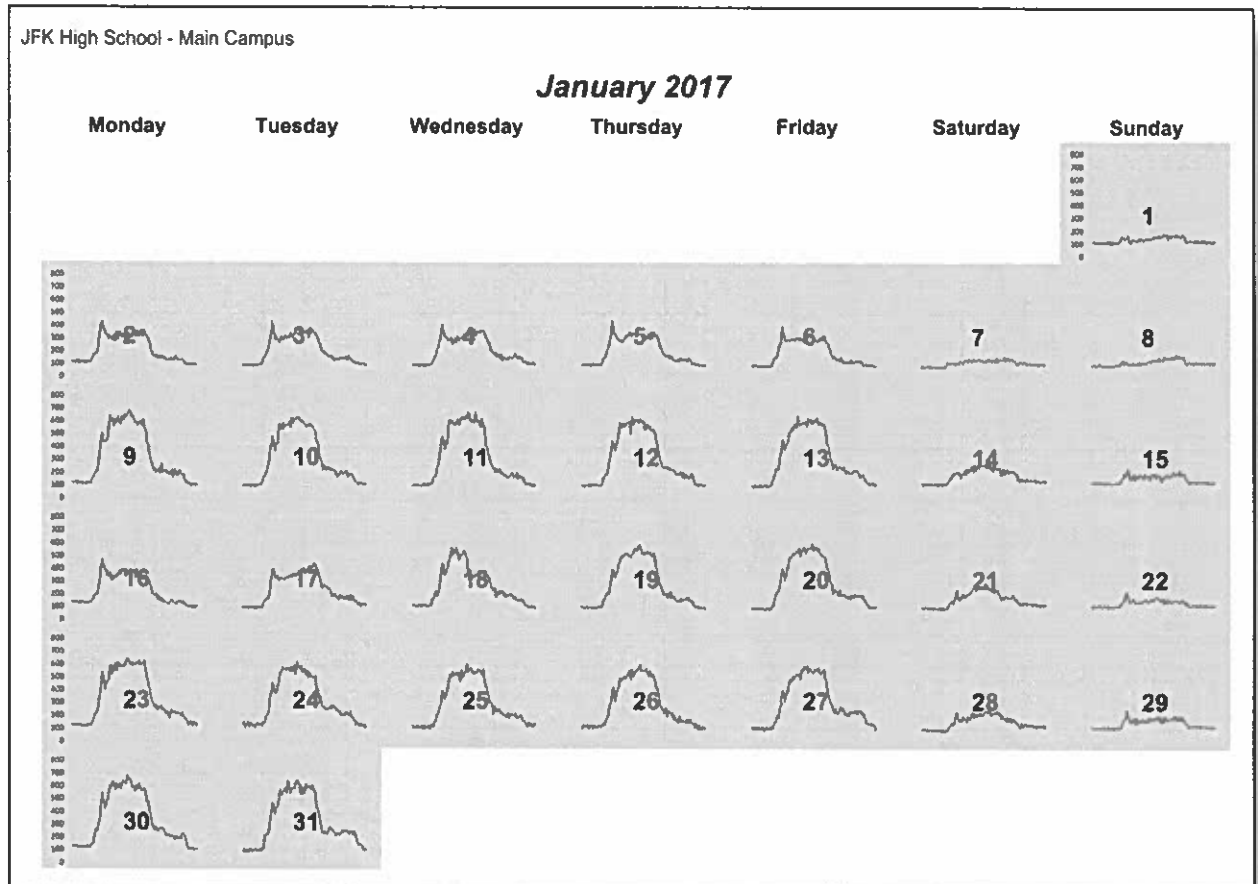


# Electric Load Profile – JFK High School



**SIEMENS**  
Ingenuity for life

- 1) Load profile *mostly* flat weekends or Holidays
- 2) Medium High base load (~100kW)
- 3) Load Factor = 35.55%



# Condensation Happens



**SIEMENS**  
*Ingenuity for life*



When humid air meets a cold surface, moisture condenses from the warmer air.  
This causes problems for GDOE when:

- A classroom is overcooled and the AC is abruptly shut off, humid air meets the cold surfaces (i.e. concrete wall, glass, etc.) and condenses.
- Heat conducts through concrete wall or glass and condenses

Both conditions cause excess moisture in the schools, encouraging mold growth and causing water damage

# Strategies to Minimize Condensation and Mold in Schools



**SIEMENS**  
*Ingenuity for life*

1. Prevent water infiltration from leaks
2. Do NOT over cool space during the day. This limits your options during unoccupied periods; enforce minimum low temperature set points.
3. Run unit in “dry” or “dehumidification” mode rather than shutting off the unit completely.
4. Raise the setpoint during unoccupied times
5. Control the space to dewpoint instead of just space temperature

# GDOE Savings is a Ratepayer Subsidy!

27

## GDOE DATA (FY2019)

<b>Annual Energy Usage</b>	43,411,121		<b><u>SOLAR PV</u></b>	<b><u>RATE</u></b>	<b><u>\$/kWh</u></b>	<b><u>\$/YEAR</u></b>
<b>Annual kW Demand</b>	68,260	<i>kWh Required</i>	43,411,121	LEAC	\$ 0.154	\$ 6,685,313
<b>Annual Cost</b>	\$ 13,049,536.84	<i>Capacity Factor</i>	18.0%	Base	\$ 0.147	\$ 6,364,224
<b>\$/kWh</b>	\$ 0.301	<i>kW Required</i>	27,531			
<b>GDOE Load Factor</b>	7.3%					

## SOLAR PV COST ANALYSIS

<b>Installation \$/Watt</b>	\$ 3.00		
<b>Total Watts</b>	27,531,152		
		<b>WITHOUT ESS</b>	<b>WITH FREQUENCY ESS</b>
		<i>(per kWh)</i>	<i>(per kWh)</i>
<b>Annual kWh</b>	43,411,121	<b>FY2020 without Solar PV</b>	\$ 0.285
<b>Investment Required</b>	\$ 82,593,456	<b>Solar PV \$/kWh</b>	\$ 0.178
<b>Life (years)</b>	20	<b>ESS \$/kWh</b>	\$ -
<b>Interest Rate</b>	5.0%	<b>Savings \$/kWh</b>	\$ 0.107
<b>Debt Service</b>	\$ 7,342,025	<b>Cost Reduction</b>	\$ 4,645,833
<b>O&amp;M @ 5% DS</b>	\$ 367,101		\$ 1,389,999
<b>Annual Cost</b>	\$ 7,709,126		
<b>Cost/kWh</b>	\$ 0.178		

## RESULT:

- GPA System Cost Avoided
- \$6,364,224 Burden Shifted to Non-NEM Customers



---

**Solar PV & GDOE & Private Schools & GCC & UOG & GOV Guam**

1 message

**Lynn Scott** <lynn@gesiworld.com>

27 October 2020 at 16:25

To: officeofsenatorshelton@guamlegislature.org, senatorjoessanagustin@gmail.com, sen.cridgell@teleguam.net, tttaitague@gmail.com, office@senatorperez.org

Cc: "John J Cruz, Jr." &lt;jcruz@gpagwa.com&gt;, John M Benavente &lt;jbenavente@gpagwa.com&gt;

Senators,

As you know I have provided testimony several times regarding several bills designed to push forward Solar PV at unnecessary levels.

I mentioned in my testimony the Energy assessment that GPA paid for a couple of years and my company was fortunate to be a sub-contractor to the sub-contractor. What that means is simple is had my company been chosen as either the prime or the first sub-contractor GDOE could have avoided either 1 or 2 sets of profit margin. In addition, they could have save on all of the costs associated with flying and housing the first sub-contractors' staff from the main land. Needless to say either the pilot project could have accomplished more or cost a lot less.

I also mentioned I would provide an example of a project my company completed that shows how important energy conservation is prior to building solar PV. Here is that example. ( I have spoken with the customer and when I asked I may show their bills. However, I am not allowed to release them.)

The old GPA building, now known as GU Storage at its worst had a monthly power bill of \$13,731.66 / 39,782.82Kwh.

GESI replaced 182 – 4 foot CFL tube lights – with LED lights

GESI replaced 75 Tons worth of **Brand New** Trane rooftop Air Conditioners – with 60 Ton of Solar Thermal VRF ( Variable Refrigerant Flow ) air conditioning system.

GESI Built a 100KW Solar PV System.

The Results of that project are available to been seen at my office. However, the summary looks like this:

Solar PV: Produces / Saves 13,500Kwh – 17,000Kwh Per Month depending on the weather.

Solar Thermal VRF Saves 15,000Kwh – 18,000kwh Per Month depending on the weather

Led Lighting Saves 2000Kwh per month.

Their monthly power bill at its highest was \$13,731.66 and now the lowest it has been since we completed the project was 4/1/2020 \$1,647.26 89.99% Savings

Now this is not average. This was just the best. The average power bill before was \$10,900.00 and now the average is \$2,300.00 but that is still a 78.8% savings.

So my question to you senators. Is why are you only look at saving 20% on a PPA or a lease back on SOLAR PV by itself? When you buy every day. You just buy the wrong ones. You buy AC unit every year. You just buy the wrong ones. It really seems to me that there are 2 major issues. First what your buying ( ie. The lowest price procurement just mean you pay higher power bills. ) Second who is deciding what to buy. Again lowest price procurement doesn't take into account long term warranties, or maintenance, and some companies include those items with the purchase of the Air Conditioner.

I hope you take the time to read the GPA Seimens assessment. I hope you take the time to do the math. True savings comes from ownership. Not renting, not trading GPA for a solar PPA agreement. because then you just have 2 power companies.

Conservation is best because the cheapest energy is the energy NOT USED.

Thank you.

Lynn Scott

President & CEO

Green Energy Solutions, Inc.

Office 671-647-8111

Cell [REDACTED]





# DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

www.gdoe.net  
501 Mariner Avenue  
Barrigada, Guam 96913  
Telephone: (671) 300-1547/1536 • Fax: (671) 472-5003  
Email: jonfernandez@gdoe.net



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

February 06, 2020

Honorable Joe S. San Agustin  
Chairperson  
Committee on General Government Operations, Appropriations and Housing  
Thirty-Fifth Guam Legislature  
Ran Care Building, 2<sup>nd</sup> Floor, Suite 3, 761 South Marine Drive  
Tamuning, Guam 96931

## **Re: Testimony on Bill 219-35**

Hafa Adai, Senator San Agustin:

I am here to testify in support of Bill 219-35, which would amend Public Law 32-95 to grant the Guam Department of Education ("GDOE"), as well as other educational institutions, the authority to procure solar energy from qualified vendors through either power purchase or sale-leaseback agreements. In addition, the bill would allow GDOE to deposit the savings into a dedicated fund for facilities maintenance, which can be further utilized to finance major capital improvements.

Earlier this morning, I testified in support of a similar bill, Bill 196-35, which addressed the issue of the authority being given to GDOE to conduct procurement of solar energy. Bill 219-35 goes further with its proposal and addresses GDOE's request for savings to be dedicated to facility maintenance needs. In that light, we support Bill 219-35 and hope that it can be merged with Bill 196-35 in a way that supports GDOE's overall needs. With regard to the extension of the same authority to other educational institutions, we take no position. A copy of my testimony from this morning is attached.

Thank you, Senator, for your support of GDOE. We appreciate the focus on helping GDOE with its energy needs, and we look forward to the Legislature's favorable action.

Senseramente,

  
**JON J. P. FERNANDEZ**

Attachment

Cc: Chairwoman and Members, GEB



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

## DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

www.gdoe.net  
501 Mariner Avenue  
Barrigada, Guam 96913  
Telephone: (671) 300-1547/1536 • Fax: (671) 472-5001  
Email: jonfernandez@gdoe.net



October 23, 2020

The Honorable Joe S. San Agustin  
Senator and Chairman  
Committee on General Government Operations, Appropriations, and Housing  
Ran Care Building, CBU 203  
761 S. Marine Drive  
Tamuning, GU 96931

Hafa Adai, Senator San Agustin and Members of the Committee:

Thank you for the opportunity to provide testimony regarding Bill 219-35, relative to amending current law to strengthen the ability for the Guam Department of Education ("GDOE") to purchase or lease-back renewable energy as a way to achieve savings and protect the environment.

First, Bill 219-35 refers to Section 7120 of Chapter 7, Division 2, of Title 17 of the Guam Code Annotated ("GCA"). However, it appears that recent re-codification of the GCA has placed the relevant section in Section 7116. I am confident that the updated version of the bill will reflect the necessary changes.

Second, Bill 219-35 expands the number of institutions authorized to seek the use of renewable energy by including the Guam Academy Charter Schools, Guam Community College and the University of Guam, in addition to GDOE. The bill also adds the option for eligible entities to enter into a sale lease-back agreement in addition to a power purchase agreement. Further, the bill extends the potential term of agreement to 40 years, which expands opportunities for financing. GDOE does not have an opinion on whether to extend the authority to access renewable energy to the additional school entities. With regards to allowing for a sale-leaseback option and to expanding the timeframe for an agreement to 40 years, I support both proposals to provide additional flexibility, which will help GDOE to find the best solution for our schools and to take advantage of favorable financing options.

Under Bill 219-35, 100% of the energy savings are reserved for facility maintenance or capital improvement projects. These annual savings are authorized to be leveraged to finance facility improvements that we know are greatly needed throughout our school district. I fully support this provision as a creative way to secure a dedicated funding stream for major facilities improvements. I encourage the Legislature to ensure that the language in the legislation clarifies that how these savings will be calculated in order to secure the intent of the bill.

Finally, with regard to the procurement process, I support any action taken to help ensure as efficient a procurement process as possible so that GDOE is able to implement renewable energy as soon as possible, to benefit from energy savings, and to utilize these savings to maintain and improve schools.

Thank you for the opportunity to provide testimony on this bill, and I look forward to the Legislature taking favorable action on this legislation in the near future.

Senseramente,

A handwritten signature in black ink, appearing to read 'Jon J.P. Fernandez', written in a cursive style.

JON J.P. FERNANDEZ

Cc: Guam Education Board



**Testimony of Mr. Jeff Voacolo**  
**In Support of Bill No. 219-35; Relative to Strengthening the**  
**Purchase**  
**or Lease-Back of renewable energy purchase of service for the**  
**Department of Education, Guam Academy Charter Schools,**  
**the Guam Community College and the University of Guam.**  
**Public Hearing of the Committee on General Government Operations,**  
**Appropriations, and Housing**  
**October 23, 2020**

Mr. Chairman,

My name is Jeffrey Voacolo, Chief Operations Officer for Micronesia Renewable Energy, a locally owned and chartered small business on Guam. I am a resident for more than a decade and an advocate for renewable and solar technology.. I applaud the Chairman for scheduling this public hearing on Bill No. 219-35 and appear before this Committee to offer my support for its passage and to suggest modest modifications to improve the legislation. The suggestions are:

- 1.) In various sections of this bill it mentions as finance options Power Purchase Agreements or Sale Lease Back agreements. I believe this is meant to distinguish between agreements that sale energy generated by a PV system (PPA) and the other which contemplates the leasing of PV equipment. The National Renewable Energy Laboratory or NREL, which is our Nation's lab responsible for researching and developing testing and deploying renewable technologies for the country, acknowledges both PPA and non-PPA financing structures utilized by the solar industry. I believe that the legislation should be amended to allow for financing options that offer the greatest amount of flexibility to Guam DOE, GCC, and UOG in order to deploy solar on their facilities. the best financing structure adding the most value back to the school board and the community.
- 2.) In Section 2 (a) line item 5,6, & 7, it states the finance structure should be based on 80% offset of the last 12-month period immediately preceding the

**Mailing Address: PO Box 7810, Tamuning Guam 96931**

**Physical Address: 167B E.T. Calvo Memorial Pkwy Tamuning, Guam 96913**

Ph (671) 632-2613 Fax (671)647-8035  
[www.micronesiarenewableenergy.com](http://www.micronesiarenewableenergy.com)



## MICRONESIA

RENEWABLE ENERGY INC.

execution of the lease or PPA. I believe this should be changed to the average of the last three years of a facility's energy consumption. This would be a more accurate data point to determine the average energy consumption for a particular facility. This is also in section 2 e, line item 5

The reason why I support this bill is simple; it's good for Guam. The intent to provide an opportunity cost from 2013, when the underlying law was passed by this body, has not yet come to fruition and, thus, has not resulted in any savings to the Guam DOE.. But there remains hope that the well-intentioned law can be fixed with the passage and enactment of Bill 219-35 to finally allow GDOE and other Guam educational facilities the ability to access PV technology. Now more than ever, because government is predicting tighter budgets due to the effects of the COVID-19 pandemic, the time to act is now. If we do not act on this now, our educational facilities will continue to unnecessarily spend millions of dollars in utility bills when in reality, the smart deployment of PV technology could save million of dollars that could be better invested in repairing aged schools and providing students and teachers with more resources. This pandemic will end and when it does money will be needed to add to the operating costs of the Guam department of education. The opportunity costs is adding to a great loss for GDOE.

### Cost of Money:

Interest rates are very attractive for investment now and in the short-term foreseeable future. To developers this translates into better term rates for this type of investment which also translates into an attractive rate proposal for the Department of Education. That being said we are and have been working against time for the sun setting of tax benefits. The GDOE being a non-profit entity and not being able to capitalize on the tax benefits enables the developer to utilize these benefits helping to lower the rate structure for GDOE in the proposed term structure. This year which again will be missed is phased down from a 30% tax benefit to a 26% tax benefit. Next year this will be reduced to 22%. Every year missed is a missed opportunity for a better rate for GDOE.

I wanted to also take a few minutes and address some concerns that were addressed at the last round table hearing on this bill on February 6<sup>th</sup>, 2020.

- 1.) Intermittencies from solar energy systems. NEM customers are dispersed throughout the Island. The proposed Bill allowing schools to place solar energy on various schools and supporting facilities throughout the Island would be the same scenario. The new power plant being built was promoted

Mailing Address: PO Box 7810, Tamuning Guam 96931

Physical Address: 167B E.T. Calvo Memorial Pkwy Tamuning, Guam 96913

Ph (671) 632-2613 Fax (671) 647-8035

[www.micronesiarenewableenergy.com](http://www.micronesiarenewableenergy.com)



## MICRONESIA

RENEWABLE ENERGY INC.

in numerous public hearings and on the GPA website would eliminate intermittencies and eliminate black outs or issues with frequency control related to solar energy which would enable the ability for greater penetration of renewable energy on Guam. The other project being procured by GPA is a 40 MW battery storage project for 43 million dollars that would also eliminate these intermittencies. NEM customers are not responsible for these black outs or grid fluctuation on the GPA grid, solar energy penetration is to low at this point. I have discussed penetration ratios of solar energy projects in Guam with some of the best solar energy and conventional generation and grid engineers that I know personally throughout the world and have no negative feedback on the distributed generation or grid penetration of solar energy at these levels on Guam. A point that I have made at the last round table was solar energy inverters and battery storage. Our solar energy systems that we are installing now all of the inverters have frequency control and ride through settings that are set on the high and low settings of the GPA grid to help the utility manage their grid. This was an Industry initiative over the last few years to work with different utilities to eliminate these type of issues related to grid management.

- 2.) I agree that GDOE and other institutions seeking to add monies back to their budget due to this pandemic and the world's instability on oil pricing by seeking energy alternatives such as solar energy on their facilities should be able to complete this procurement process within their institutions. GDOE has successfully completed a 90-million-dollar procurement on the Simon Sanchez school can if needed seeking advice as with any procurement from Industry experts publica and private such as NREL, Department of Energy and the Solar Energy Industry Association can easily complete this procurement. The CNMI-Public schools system just completed a procurement process for their school system, this was a great success for their school system enabling them to secure a contract close to their FAC which is similar to our LEAC or fuel avoidance. This procurement process was completed in house by the PSS procurement department. At the last public hearing the CUC discussed being the experts in Power Purchase Agreements and listed clauses in a PPA that they look for such as the developer being bound legally by production clauses and penalties being imposed if production measures are not met, these are all typical

**Mailing Address:** PO Box 7810, Tamuning Guam 96931

**Physical Address:** 167B E.T. Calvo Memorial Pkwy Tamuning, Guam 96913

Ph (671) 632-2613 Fax (671)647-8035

[www.micronesiarenewableenergy.com](http://www.micronesiarenewableenergy.com)



## MICRONESIA

RENEWABLE ENERGY INC.

parameters in a power purchase agreement that an Industry expert can review. GDOE may also at their discretion seek advice from GPA if needed which is in the bill in Section 2 (d) line item 18-19 and 20. So GPA at the discretion of GDOE can be involved in this procurement process.

- 3.) There were discussions on cost shifting, which would force non-solar ratepayers to pick up the burden of placing solar energy on the GDOE schools. This has always been a clever debate by the utility without merit. We have produced on numerous occasions the Berkeley Laboratories report on cost shifting which eliminates this argument. Berkeley Laboratories is a very prestigious neutral third party think tank that completed this report over three years ago. In the Bill in Section 2 (a) page 3-line item 5 the offset shall be no more than 80% of the schools annual power needs, the 20% going back to the Guam power authority if cost shifting were to exist would enable GPA the monies to manage this scenario and manage their grid. The GPA has stated on numerous occasions that cost shifting with NEM customers to date cost them in excess of three million dollars a year, but on July 30<sup>th</sup> of this year had no issues with not raising the rate for energy enabling the utility to absorb a 17 million dollar loss for under recovery of fuel up to January 2021. It is hard to understand how a very profitable utility can absorb this loss, yet raise concerns about cost shifting measures that do not exist.
- 4.) In the last round table, there was concern on the length of a 20-year contract. My experience with public projects that do not have an insurance and a strict maintenance component to them lead to no value long term to the public entity. Too many times traveling through Guam and the outer Islands there are projects that the community are burden with that no longer are in operation wasting away. With a long-term contract, the end user is guaranteed a system that is in optimum working condition. The burden is on the developer to make sure these systems are producing energy enabling the repayment for these financed structures. I also heard that solar energy modules and systems are useless after 20 years. This is not the case. Solar energy modules and inverters are warrantied for the life of the contract. After 20 years solar energy modules must produce at least 86% of the energy that they are listed to produce at the day of install. After the expiration of the 20 year contract GDOE will be handed a system that should last at least another 20 to 30 years with a proper maintenance program enabling the school system to place all of these saved monies on energy toward their operating budget. This is a long-term plan to enable GDOE and other institutions to save monies on their energy costs.

Mailing Address: PO Box 7810, Tamuning Guam 96931

Physical Address: 167B E.T. Calvo Memorial Pkwy Tamuning, Guam 96913

Ph (671) 632-2613 Fax (671)647-8035

[www.micronesiarenewableenergy.com](http://www.micronesiarenewableenergy.com)



## MICRONESIA

RENEWABLE ENERGY INC.

- 5.) My last response to the last round table is in regard to local preference. I do not understand why as an Island community we are so fast to hire off Island Developers when we have the Island experts and capabilities of performing this and other contracts within our own community. I heard the debate that we would be limiting ourselves to higher rates and more expensive contracts. I believe as an Island community we should always give preference to local contractors and developers. During this Military buildup, the Federal Government was encouraged by the Government of Guam to utilize local contractors and our leaders have rightly advocated for a "set-aside" for local businesses to gain from the billions of dollars being invested by the federal government into Guam. Now during a Government of Guam project, why would we not offer the same courtesy to our own businesses who pay local taxes, employ local residents, and keep earned revenue circulating in our island's economy? The CNMI-Public school system awarded a contract for their schools for solar energy and the contractual price was close to LEAC or the FAC rate with a local developer. If whenever possible local preference should apply and especially on this project. This will enable B2B commerce, taxes being paid, health and welfare for the employees, apprentice programs being utilized, building not just solar energy systems but an industry for the betterment of people, families and the community.

I applaud this Legislature and the Senators who have developed and support this Bill. I believe this Bill is good now and for the long term betterment for this community and this world.

Thank you very much for allowing me to speak today at this public hearing

Thank you

Jeff Voacolo  
Resident of Guam  
Chief Operations Officer  
Micronesia Renewable Energy, Inc.

Mailing Address: PO Box 7810, Tamuning Guam 96931

Physical Address: 167B E.T. Calvo Memorial Pkwy Tamuning, Guam 96913

Ph (671) 632-2613 Fax (671)647-8035

[www.micronesiarenewableenergy.com](http://www.micronesiarenewableenergy.com)



Joe S. San Agustin <senatorjoessanagustin@gmail.com>

---

**Bill 219-35**

1 message

---

**andypark@pecguam.com** <andypark@pecguam.com>  
To: senatorjoessanagustin@gmail.com

22 October 2020 at 13:33

Hafa Adai Senator Joe San Agustin,

I have added some written comments about Bill 219-35. (see attached)

I would appreciate my comments to be considered during the public hearing.

Thank you,

Andrew

---

 **PEC - Written Testimony-signed.pdf**  
216K

PACIFIC ENERGY CORP.  
#220 Harmon Industrial Park Road  
Tamuning, Guam 96913  
Tel: (671) 646-5248 Fax (671) 646-4388



October 22, 2020

To: Guam's 35<sup>th</sup> Legislature


Pacific Energy Corp. (PEC) would like to add comments and written testimony on the Amendment of Bill 219-35 (cor).

In reference to Section 2 § 7120 of Chapter 7 of Division 2, Title 17 Section (a), the bill is amended to add in "... not to exceed forty (40) years". Current PV panels have a lifespan much shorter than 40 years. A PPA that requires a 40-year contract will force the bidder to replace all the PV panels in the middle of the contract.

In reference to Section 2 § 7120 of Chapter 7 of Division 2, Title 17 Section (g), the bill is amended to "a valid Guam Business License for at least five (5) years". The most cost-effective solar developers in the world are not located on Guam and therefore do not have a Guam Business License for at least five years. Restricting bidders to have at least five years of a valid Guam Business License will restrict the most competitive solar farm developers from entering the bid which will potentially increase the tariffs. We suggest that the required five years either be removed or significantly reduced.

We hope that our above comments will be considered when voting on the Amendment. We sincerely thank you for your consideration.

Sincerely,

  
\_\_\_\_\_  
Andrew Park  
President

## **PUBLIC UTILITIES COMMISSION OF GUAM**

**Jeffrey C. Johnson**  
Chairman

**Rowena E. Perez-Camacho**  
Vice Chairwoman

**Commissioners**  
**Joseph M. McDonald**  
**Michael A. Pangelinan**  
**Peter Montinola**  
**Doris Flores Brooks**  
**Pedro S.N. Guerrero**

**Suite 207, GCIC Building**  
**Post Office Box 862**  
**Hagatna, Guam 96932**  
**Telephone: (671) 472-1907**  
**Fax: (671) 472-1917**  
**Email: [info@guampuc.com](mailto:info@guampuc.com)**

**Lourdes R. Palomo**  
Administrator

**Frederick J. Horecky**  
Chief Administrative Law Judge

**Joseph R. Alcantara**  
Administrative Law Judge

**Anthony R. Camacho**  
Legal Counsel

**October 23, 2020**

**Senator Joe S. San Agustin**  
**Chairman of the Committee on**  
**General Government Operations,**  
**Appropriations and Housing**  
**[senatorjoesanagustin@gmail.com](mailto:senatorjoesanagustin@gmail.com)**

**Re: Testimony of Chairman Jeffrey C. Johnson, Guam Public Utilities Commission, on**  
**Bill No. 219-35(COR)**

**The Guam Public Utilities Commission ["PUC"] appreciates the opportunity to**  
**comment on proposed Bill No. 219-35(COR). For the reasons stated herein, the PUC**  
**opposes the enactment of Bill 219-35(COR).**

**The PUC supports the intent of the Bill to promote solar energy on Guam and "to aid in**  
**attaining a lower cost for cleaner electricity production and usage..." Since 2008, the**  
**PUC has been the entity that established and implemented the net metering program.**  
**However, the actual impact of the proposed Bill, rather than reducing power rates, will**  
**be to increase such rates for the ratepayers of Guam.**

## **I. NO STUDY HAS BEEN DONE TO DETERMINE THE IMPACT OF THIS BILL UPON THE GPA TRANSMISSION AND DISTRIBUTION SYSTEM.**

Before any Bill such as 219 is enacted, there must be a study and determination as to how it will impact the power system. This Bill will potentially damage the island wide power system by creating an influx of solar power into the GPA transmission and distribution systems, without any assessment or determination of whether GPA's system can handle the amount of solar energy produced by the net metering of these "institutions", and whether there would be a "demonstrated adverse impact on Guam Power Authority's transmission and distribution system." Net metering systems provided by the "institutions" will likely have no battery storage and will be useless in providing power to meet the peak load of the system for evening hours.

This Bill provides that many educational "institutions", including from Guam Department of Education (GDOE), Guam Academy Charter Schools, Guam Community College, and the University of Guam, and other "institutions" occupied under a lease agreement' "would all be authorized to enter into power purchase or sale Lease-Back agreements to purchase solar energy from "qualified providers". These agreements are alleged to be "in the best financial interest of the Government of Guam for a period of up to twenty-five (25) years and not to exceed forty (40) years."

Neither the Guam Legislature nor anyone else has conducted an inquiry or study as to how many megawatts of renewable solar energy this Bill would add into GPA's transmission and distribution systems if the "institutions" avail themselves for the provision of 80% of their power needs from net metering systems. The Bill will obviously impact the amount of renewable energy produced by net metering in the GPA system, and such providers are even authorized to locate solar energy systems "off-site", not just on the rooftops of such institutions.

**John Benavente, General Manager of the Guam Power Authority, and John Cruz, GPA Assistant General Manager, Engineering & Technical, estimate that an additional 24.6MW of solar energy would be added to the power system by this Bill. If Bill 219 were fully utilized by the institutions, there would be 49.2MW of net metering energy in the system. Before such a Bill is enacted, there should be a study determining what total amount of renewable solar energy could impact the transmission and distribution systems, and whether such energy would have a negative impact on the system or cause intermittent frequency outages. 12 GCA § 8502(c)(2)(c) provides that GDOE may only exceed present net metering capacity limitations (i.e. 100kw for non-residential customers "as long as there is no demonstrated adverse impact on Guam Power Authority's transmission and distribution system..."**

The Guam PUC, with its available utility consultants and experts, is the appropriate body to conduct such study. This Bill should not be enacted into legislation without a

study demonstrating that there would be no adverse impact upon GPA's distribution and transmission system through the substantial expansion of net metering.

## **II. BILL NO. 219-35 WILL RESULT IN AN INCREASE IN RESIDENTIAL POWER RATES.**

The stated purpose of this Bill is to promote economy and "aide in maintaining a lower cost for cleaner electricity production and usage..." In fact, the actual impact will be the opposite—there will be higher power rates as a result of this Bill. The Bill presumes that the "institutions" power bills will be reduced, but does not even consider the negative rate impacts on GPA and non-net metering customers. There will be a tremendous loss of revenue for GPA. This amount of such loss should also be studied and determined before the Bill is enacted. Before the pandemic, GDOE was paying over \$1M per month in power bills, or \$12M per year; other institutions such as UOG and GCC may pay in excess of \$2M per year. Conversion of the institutions to net metering will cause a significant loss of revenue for GPA. Instead of receiving full retail rate payments from the "institutions", GPA will be forced to grant full retail rate credits to the institutions for solar power produced. Rate making is a "zero sum game". When GPA loses revenues from one source, it will need to make up such revenue loss by charging the non-net metering customers. Non net metering customers, which constitute 96% of ratepayers, will have to pay higher power rates.

Bill 219 essentially targets one of GPA's largest ratepayers and deprives GPA of the same level of revenues it presently receives. Why should "educational institutions" be

granted special treatment as net metering customers? Using the same logic, the Legislature could target all the government entities that are GPA's customers (DOA, DPW, GEDA, GHURA, GUAM HOUSING, etc.), and authorize net metering arrangements for all government entities. At present, the power rates for government entities subsidize residential power rates. By authorizing these arrangements, the Legislature negatively impacts the rate subsidies provided by government customers to the residential class. The impact will be an increase in residential rates. The residential subsidies, which have been in effect since the 1970s, will be effectively destroyed.

Rather than reducing power costs, this Bill will increase costs to GPA and the ratepayers of Guam. GPA will be compelled to credit such institutions for solar energy produced at the rate of approximately twenty-five cents (\$.25) per kilowatt hour. This will require increases in power costs for all non-net metering customers. Net metering arrangements are simply not a cost-effective method for reducing power costs to the ratepayers of Guam. The 120MW Utility scale production of renewable energy by GPA, which should be in operation within two years, will cost roughly six to eight- and one-half cents per kilowatt hour. Net metering energy that would be produced by the institutions would be three times the cost of utility scale solar energy produced by GPA. Even if reduced fuel costs are deducted, net metering energy is more than twice as expensive as GPA produced utility scale solar energy.

How can the net metering provisions of Bill 219-35 possibly be viewed as economical or lower cost? GPA's utility scale production for 45MW net metering plants on Naval properties, with battery storage, will produce power at a cost of eleven cents per kilowatt hour. GPA's utility scale power is far cheaper than the net metering arrangements supported in Bill No. 219-35. Power cost would be more "economical" if provided through utility scale solar energy plants, rather than net metering facilities.

Bill 219-35 is simply not in the interest of ratepayers.

### **III. BILL NO. 219-35 INTERFERES WITH THE INDEPENDENCE OF THE PUC AND ITS RATEMAKING FUNCTIONS, AND VIOLATES THE GPA/GWA BOND COVENANTS.**

It is presently within the power of the Guam Public Utilities Commission to determine what penetration levels there should be for solar energy produced through net metering in the island wide power system. Net metering can cause instability and intermittent power outages in the power system. GPA has already demonstrated that the 25MW NRG solar plant in Dandan has caused such problems.

Issues concerning the penetration level for net metering energy in the GPA power system are for the determination of the independent rate setting body, the Guam Public Utilities Commission. What Bill No. 219 would do is actually increase the penetration level for net metering in the GPA power system far beyond what has been presently

been authorized by the PUC. Without a study, it is difficult to determine the full extent to which Bill 219 would increase current net metering levels. If 80% of the power produced by the “institutions” is through meter metering, John Cruz’ estimate is a 24.6MW increase in net metering production. Such an increase would grossly exceed the current net metering cap established by the PUC.

In PUC Docket 19-04, the PUC already set a penetration level of 10% of total GPA power production for net metering. When net metering produced energy of 26MW is reached, PUC has ordered a reevaluation of the net metering program. Net metering presently accounts for roughly 24MW. With the addition of 24MW, the cap would be greatly exceeded. This should not be allowed without prior review and approval of the PUC. In recent testimony provided on October 7, 2020, by GPA Bond Counsel John Wang, of the Orrick Law Firm, in opposition to Bill No. 315-35, he stated as follows:

**“Any transaction that would involve net metering arrangements with GPA, the use of GPA’s transmission system, the use of GPA’s distribution system, ...must be subject to the approval of the GPUC after consideration of appropriate ratemaking policies, including the appropriate allocation of costs on various ratepayer classes.”**

As with Bill 315, Bill No. 219-35 also involves net metering arrangements with GPA, the use of GPA’s transmission system, and the use of its distribution system. These arrangements must be subject to the prior review and approval of the PUC. Bill 219 will

definitely impact rates on various ratepayer classes. The PUC, not the Guam Legislature, must consider and evaluate the rate impacts.

Bill 219's attempt to increase the penetration level of net metering is a violation of the independence of the Guam Public Utilities Commission, a body created by the Organic Act of Guam as an "independent rate setting body." Bill 219 also violates the GPA/GWA Bond Covenants. In those covenants, the Guam Legislature agreed not to impair the powers, duties, or effectiveness of the PUC. Violation of the Bond Covenants by the Legislature could result in a bond default.

### CONCLUSION

Bill No. 219-35 should not be enacted, as there has been no study concerning its impact upon the GPA distribution and transmission systems. The Bill would result in higher power rates for the residential ratepayers of Guam. It would interfere with the PUC's independence, as well as the Bond Covenants, by creating net metering relationships involving the use of the power system, and would negatively impact rate policies.

Sincerely,



Jeffrey C. Johnson  
Chairman  
Guam Public Utilities Commission



30 October 2020

The Honorable Joe S. San Augstin  
Chairperson, Committee on General Government Operations, Appropriations and Housing  
*I Mina 'trentai Singko Na Liheslaturan Guåhan*  
Ran-Care Commercial Building, 2nd floor  
761 S. Marine Corps Drive, Tamuning

**Re: Written Testimony on Bill 219-35 (COR)**

*Håfa adai* Chairperson,

The Guam Youth Climate Strike was formed a few months ago, at the beginning of the COVID-19 pandemic. We are students of the University of Guam, public and private schools, and we are always looking to be involved in the community and our government.

We have many goals within our organization, one of which is to ensure energy efficiency and prioritizing investments in renewable energy throughout the island.

Know that our climate is changing at rates faster than entire ecosystems can adapt, and we are in the race against money and time to tackle this crisis. The science is clear- we must address this crisis together, before it is too late.

We cannot rely on old and dirty energy to power our classrooms through the 21st century, so we must shift towards innovations that could power our classes and students to seek new and brighter futures.

We are empowered to continue our advocacy for policies that will lead to progress and bring us towards a renewable-energy powered island. We *support* Bill 219-35, and we look forward to its passage.

Un dangkulu na Si Yu'os ma'åse,' maraming salamat and kinisou,  
Guam Youth Climate Strike

---

**UOG Testimony on Bill 219-35**

---

**Carmelita Blas** <cgbblas@triton.uog.edu>

6 November 2020 at 14:43

To: "senatorjoessanagustin@gmail.com" &lt;senatorjoessanagustin@gmail.com&gt;

Cc: "Krise, Thomas" &lt;tkrise@triton.uog.edu&gt;, "Randall V. Wiegand" &lt;wiegandr@triton.uog.edu&gt;, "Leon Guerrero, Glenn" &lt;glennlg@triton.uog.edu&gt;, "Rachel F. Cubacub" &lt;rachelfc@triton.uog.edu&gt;, Christine Mabayag &lt;ckamm@triton.uog.edu&gt;

Hafa Adai, Senator San Agustin,

Please find the attached letter from UOG President Thomas Krise, regarding our testimony on Bill 219-35. Kindly acknowledge receipt of the letter.

Thank you,  
Carmelita

--

Si Yu'os ma'åse',



**CARMELITA BLAS**  
*Administrative Officer*

**ADMINISTRATION AND FINANCE**

Office: +1 (671) 735-2900

cgbblas@triton.uog.edu

<https://www.uog.edu/administration/administration-finance/>

*The University of Guam is an equal opportunity provider and employer.*

---

CONFIDENTIALITY STATEMENT: This message is from the University of Guam and contains information which is privileged and confidential and is solely for the use of the intended recipient. If you are not the intended recipient, any review, disclosure, copying, distribution, or use of the contents of this message is strictly prohibited. If you have received this transmission in error, please destroy immediately.

This email message (including any attachments) is for the sole use of the intended recipient(s) and may contain confidential information covered under the Family Educational Rights & Privacy Act (FERPA). If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this message (including any attachments) is strictly prohibited. If you have received this message in error, please destroy all copies of the original message (including attachments) and notify me immediately by email or phone. Thank you.

---

 **110520 Letter to Legislature re Bill No. 219-35.pdf**  
204K



OFFICE OF THE PRESIDENT

November 5, 2020

The Honorable Joe S. San Agustin  
Chair, Committee on General Government Operations, Appropriations, and Housing; and Office  
of Finance and Budget  
*I Mina 'Trentai Singko Na Liheslaturan Guåhan*  
Ran Care Bldg., CBU 203  
761 S. Marine Corps Drive  
Tamuning, Guam 96931

Re: Testimony on Bill No. 219-35

Dear Senator San Agustin,

Please find the attached some comments from the UOG Facilities Management and Services Unit with respect to the above-mentioned bill. Please accept these as UOG's testimony on the bill.

Thank you.

Sincerely,

Thomas W. Krise, Ph.D.  
President

Attachment

**MEMORANDUM**

**TO:** Thomas W. Krise, Ph.D., President

**FROM:** Randall V. Wiegand, VPAF & CBO 

**DATE:** November 5, 2020

**RE:** Comments on Bill No. 219-35

I have reviewed Bill No. 219-35 regarding the purchase of renewable energy through power purchase agreements (PPA) by the Department of Education, the Guam Community College and the University of Guam with our Facilities unit and we have laid out our concerns and suggestions for the bill.

In general, the Administration and Finance department supports this legislation. Below are our specific comments:

1. There are several places in the legislation that refer to schools or GDOE where I believe the intent is to use the word "Institution."
2. Section 2 modifying Section 7120, paragraph a, lines 13 and 14: need to determine if the intent is for a 25 year cap or a 40 year cap; and lines 22 and 23: I believe this should read "for all Institution owned buildings."
3. Same section, paragraph c: This doesn't seem appropriate for legislation. I think the Institutions should be able to decide how to accept partial or full scope PPA proposals.
4. Same section paragraph c, line 22: I believe "The Institutions" may have been intended to be the end of one sentence and the beginning of another. This seems to be very broad and is placing a burden on the Guam Power Authority. I would recommend limiting it to technical consultation regarding connection to the grid. Also in lines 26-28, the issue of third party costs seems too granular for legislation. It also seems like an open-ended burden on the PPA.
5. Same section, paragraph e: I'm not sure the purpose of this section. It seems to be addressing excess generation when earlier sections limited the scope to 80% of prior year requirements.
6. Same section paragraph g: This seems like an extra-ordinary requirement. I would recommend incorporating the 15% test to allow off-island competition.

T: +1 671.735.2900 F: +1 671.734.2296 E: [wiegandr@triton.uog.edu](mailto:wiegandr@triton.uog.edu) W: [www.uog.edu](http://www.uog.edu)

Mailing Address: 303 University Drive UOG Station Mangilao, Guam 96913

*The University of Guam is a U.S. Land Grant Institution accredited by the Western Association of Schools and Colleges Senior College and University Commission and is an equal opportunity employer and provider.*

7. Same section paragraph i: This is introducing a new test. Earlier a test of 80% of power needs was utilized. This is a dollars based test. I would recommend using only one 80% test. I'm not seeing the rationale for eliminating escalation rates from a lease agreement. It seems like that would skew the results towards the PPA agreement.
8. Same section, paragraph n: This section imposes Fair Market Value as the transfer cost. I don't think the Legislature needs to limit the parties to this.
9. Same section, paragraph o: This also seems pretty granular. It seems like this type of provision should be left up to the Institutions. I'm not sure the Legislature needs to create funds that in all probability will not be utilized.
10. Same section paragraph p: There seems to be a gratuitous swipe at GPA in this paragraph. I'm not sure that is appropriate for legislation. If the limitation of 80% of prior year power needs is in place, I'm not sure there needs to be reference to other caps. I'm not sure the benefit of including the residential cap in this section. I do not believe the University will have an interest in off-site power generation.
11. Same section, paragraph q: This section poses a potential investment challenge if the requirement to remove and reinstall a solar energy system at the request of the institution at no cost to the institution. This may be considered overly burdensome and may cause most providers to avoid these arrangements. Additionally, relocating the PV panels often voids the warranties.
12. Same section, paragraph r: Similar to other comments...it seems to me the legislation does not have to mandate the funds from the energy savings.
13. Section 3 modifying section 5008.2, paragraph a: I think this paragraph needs some work.
14. Section 3 modifying section 5008.2, paragraph b: This seems more appropriate than the earlier restriction that all vendors must have had a local business license for five years.
15. Section 3 modifying section 5008.2, paragraph b(2): I would recommend changing line 7 to read "installing solar energy systems on Guam" to ensure the vendor given this preference has truly performed this business in the past.

Please let me know if you have any comments or concerns regarding these findings



FOR IMMEDIATE RELEASE

10/20/2020

Contact: Beth Tokioka

808.246.4348

btokioka@kiuc.coop

### KIUC Asks for Energy Conservation; Rolling Outages Possible

*Līhu'e, Kaua'i, HI – 10/20/2020* - Kaua'i Island Utility Cooperative is asking members to conserve energy and practice voluntary load reductions due to the unexpected lack of availability of several large generating units. In addition, KIUC will likely be implementing rolling outages to begin early this afternoon, as needed, to manage the temporary reduced generation capacity.

Repairs to KIUC's largest and third-largest generators at Kapaia Power Station and Port Allen respectively are underway. The Green Energy Team biomass plant is also under repair and is not expected back on line until next week. In the meantime, KIUC is maximizing generation from smaller conventional units, hydro plants and solar facilities.

"On a normal sunny day, we probably wouldn't need to take these actions," stated KIUC's Chief of Operations Brad Rockwell. "We could run comfortably on our solar resources during the day and count on stored solar to get us through the evening peak. However, due to today's weather conditions, our solar facilities aren't producing adequately to cover the load and aren't storing enough energy to supply us through the evening." He noted that the situation is exacerbated by additional load created by the lack of production from residential and commercial rooftop solar systems.

If implemented, members will experience rolling outages in 30-minute increments. Due to changing operational conditions and member security concerns, a rolling outage schedule will not be published ahead of time. The outages are expected to continue into the evening. Depending on ability to bring additional generating units on line and weather conditions, rolling outages may be necessary through Wednesday morning.

Updates will be issued as new information becomes available.

The public is encouraged to follow the media and KIUC's Facebook page for the latest information.

###

## ATTACHMENT 3

AMELIA URRY SCIENCE 08.10.2017 10:00 AM

## Tesla Is Turning Kauai Into a Renewable Energy Paradise

The power grid of the future will require sunny skies above and energy storage below. Thanks to Tesla, Kauai has both.



GRIST/DANIEL PENNER

THIS STORY ORIGINALLY APPEARED on [Grist](#) and is part of the [Climate Desk](#) collaboration.

When people ask Luke Evslin why he decided to live off the grid, he starts with the time he almost died.

Evslin grew up on Kauai, a nub of a former volcano at the oldest end of the Hawaiian archipelago, but he was living on nearby Oahu at the time of the accident, working and competing in races with an outrigger canoe club.

The biggest race of the year is a daylong ocean crossing from the island of Moloka'i to Oahu's Waikiki Beach, which can take between five and eight hours. Exhausted paddlers rotate out of the canoe during the race, jumping into the water to be scooped up by a waiting motorboat. During the first switch, Evslin was getting ready to heave himself into the canoe when the motorboat struck him.

The propellor sliced across his back in five places, severing muscle and bone along his spine and pelvis, each cut a potential death blow. His teammates pulled him out of the ocean and rushed him to shore. Judging from the looks on everyone's faces, Evslin wasn't sure he would survive the hour-long trip to land.

"I wasn't scared to die," he wrote a month later from his hospital bed, "but I was sad to die. I realized how much I love our beautiful world and everyone that is a part of it ... and I was sad that I'd only just noticed."

Soon after, still recovering from his wounds, "I made the terrible choice to read *Walden Pond*," Evslin recalls. He came across these famous words from Henry David Thoreau: "I went to the woods because I wished to live deliberately, to front only the essential facts of life, and see if I could not learn what it had to teach, and not, when I came to die, discover that I had not lived."

Evslin began dreaming of a self-sufficient life, in touch with nature and free of the careless consumption of modern society. He convinced his then-fiancee, Sokchea, to move to a rainy acre on his native Kauai, where they built an off-grid yurt powered by six solar panels and a bank of batteries.

They planned to use only their own energy, eat what they grew, and eliminate their carbon footprint. Luke even planted a few coffee trees, imagining he would keep up his caffeine habit guilt-free.

"I had this grand plan of being an example for people," he says, "showing how easy it was going to be."

He had good reason to think that. Bathed in Pacific sunlight year-round, Kauai has all the hallmarks of a renewable energy paradise. Others thought so, too. In 2008, the member-owned electricity cooperative set an ambitious goal to run the entire island on 50 percent renewable energy by 2023.

At the time, Kauai had no utility-scale solar at all. But by the final day of 2015, the island's main power plant—a rusty sugar plantation-era diesel generator—shut down for the first time since firing up the 1960s. For a few hours in the middle of the afternoon, two large solar farms did the heavy lifting on the island of 65,000, and the diesel plant sat dormant.

It was a good omen. By the end of 2016, the utility was on track to hit its 50 percent renewable goal five years ahead of schedule.

LEO RAMEL, Grocery clerk, age 29: "[Solar power] is good for the future. It's not for us, it's good for our kids in the future. I think it's a good thing to invest in. You pay a big price up front, but then in time, it will cost less. You'll get it back." GRIST/DANIEL PENNER

This February, the co-op board voted to move the goalposts again: 70 percent renewable energy by 2030. It will probably clear that mark early, too.

But, as Evslin quickly learned, the path to a low-carbon future can be tougher than it seems. Even in Hawaii, the sun doesn't always shine—and when it does, sometimes you end up with more power than you can use in the moment.

How to collect that solar energy, predict it, get it to the right places at the right time, save it up for a rainy day—those are the kind of challenges our massive, spread-out, and unevenly populated country faces as we make the switch to clean energy. It's one of the reasons that Tesla is making a major investment on Kauai, hoping to get it right.

And it all comes down to a lesson that the Evslins learned the hard way: It's not about getting off the grid. It's about building a better one.

"I imagine that there will be a lot more failures than successes to report," Luke Evslin wrote in the first post of a blog he started to document his life off the grid, on January 1, 2011. "But that's the point of it."

Evslin didn't know just how much he would come to reconsider what counts as failure and what constitutes success. On a visit with the family this summer, I walk the property with Luke as he points out trees he had planted. He's tailed by a handsome dog named Asher and a mismatched set of terrier mixes, Peanut and Pico. A calico cat appears and settles on the railing with a view of the yard, where ducks and wild chickens peck hopefully.



Luke and his dog, Asher, among his taro plants. CRIST/ANELIA URRY

"I've failed at most things I've grown," Luke says with a shrug. Other than the fruit trees dotting the property—supplying all the banana, papaya, breadfruit, and lychee the Evslins could want—little else has taken root. His attempts at arugula and tomatoes fell prey to the chickens, and the ducks discovered a taste for sweet potato; other crops didn't take to the damp.

"The only real success I've had is taro," Luke says. An easygoing, water-loving crop that can be regrown from its own stem, taro makes up the bulk of the calories the Evslins get from the land. Their one-year-old daughter, Finley, subsists largely on homegrown poi. For Luke and Sokchea, the grocery store remains a necessity.

Then there's the water. Their water tank, which collects rain from the hill above the yurt, also provides a welcoming home for mosquito larvae. The tank's lining recently sprung a leak, so the family has been living on jugs of municipal water hauled from Luke's sister's house. At one time, Luke might have thought of this as a betrayal of principle; now it's mostly just inconvenient.

But the biggest problem for Luke, like the utility that serves his island, has been the sun itself. He and Sokchea scaled back their lives to live within their solar-powered means—ditching their toaster and microwave, giving up laundry on cloudy days when their batteries wouldn't be able to recharge. But they still have rainy weeks where they run out of power and have to run their gas-powered generator to keep the refrigerator from spoiling.

Most days, however, produced more solar power than they could use or successfully store in their batteries. If they were connected to the grid, Luke thought, that power could be used by his neighbors.

It took about a year for Luke to regret his move off the grid. "It's not that it wasn't what we expected," he explains. "We wanted the difficulty of it." But he also wanted to show people it was possible to live with a smaller carbon footprint;

instead, he was burning gasoline and watching the island's electric utility outpace him, installing solar power and cutting carbon all over the island.

"That was all happening, not because of me," he remembers thinking, "but despite me and my efforts."

Just after 10 am, the sun comes down hot on Kauai's biggest solar field. Rows of darkly gleaming panels ripple toward a horizon of jungle-green mountaintops and whipped-cream clouds.

GRIST/DANIEL PENNER

By high noon on the sunniest days, the Kauai Island Utility Cooperative generates 97 percent of its energy needs from a combination of three large solar fields, residential rooftop solar, biomass, and hydropower. Last year, 42 percent of the electricity used on island came from renewable sources.

In fact, Kauai is capable of generating so much energy from sunlight that any additional solar power the utility installs would likely go unused much of the time. Unlike the mainland United States, where a massive power grid connects far-flung regions, Kauai has nowhere to send the power it doesn't use—and right now, it's got about as much solar power in the middle of a day as it needs.

Yet even on the brightest day, the utility's diesel-fired power plants start chugging back to full speed as the sun sets. It's the solar version of feast or famine. And it's why, despite all its advantages, Kauai is still a long way from complete clean-energy conversion.

That's where the ranks of industrial, refrigerator-sized boxes lined up beside the solar field come in. Grouped together on neat concrete pads, only the occasional Tesla logo hints at what lies inside: batteries.

In March, Tesla cut the ribbon on this groundbreaking grid-scale battery installation, a key test of the viability of energy storage in making renewable energy a more reliable part of the grid. With 50,000 solar panels and 272 batteries, the combined solar-and-storage plant provides enough energy to power 4,500 homes for four hours.

If Tesla can help keep Kauai solar-powered around the clock with its batteries, then it can apply what it has learned elsewhere in the country, and around the world.

SABRA KAUKA, Cultural practitioner, age 72: "I'm very proud of the project with the Tesla batteries. It's going back to being self-supporting and self-sustaining, both with our energy and our food. It can be done. We have the land, we have the sunshine. What we need is the commitment." GRIST/DANIEL PENNER

On this particular sunny day, Tesla engineers are doing some final tests before signing off on the plant. The site manager unlocks the front panel and swings the door open to reveal lithium-ion battery cells stacked like cafeteria trays.

Much of this hardware was borrowed directly from the electric cars that Elon Musk built his company on. (The coolant reservoir fastened to the door looks especially automotive.) Decades of research and development into smartphones and electric cars make lithium-ion batteries the most reliable and cheap battery on the market today.

"We designed the Tesla plant to be like a conventional power plant," Brad Rockwell tells me. He is the head of power supply for Kauai's utility cooperative, the one in charge of balancing supply and demand.

"I can say, 'OK, give me 5 megawatts on the grid,'" Rockwell says. "And the plant looks around and says, 'Am I getting any solar? What do you know, I'm getting 7 megawatts of solar—the grid only needs 5, so I'm going to give them a solid 5, and 2 will go to the battery.'"

He moves a pen across a sheet of paper to underline the shifting arithmetic. "Then when a cloud comes over and the [solar panels are] only putting out 2 megawatts, now I need 2 from the solar and 3 from the battery. And it just does that all day long."

Rockwell is a former US Navy engineer, familiar with photovoltaic and battery systems because he studied them in the early 1990s. "It turns out that most remote islands are powered like ships are," he says. Neither can rely on copious cheap fuel, and they can't afford to waste what power they do have.

An average day of energy use on Kauai, before and after Tesla's batteries came online. In 2016, the period of highest energy demand is met mostly with fossil fuels, after the sun has set. In 2017, solar power generated during the day is stored up and used at night, shrinking the island's fossil fuel use by as much as 1.6 million gallons a year. KAUAI ISLAND UTILITY COOPERATIVE

Most places, including Kauai, see two big, predictable peaks in energy use every day: one in the morning, when most people are waking up and getting ready for work, and a bigger one at night, when they return home. Both of those peaks occur outside the period when most solar power can be generated.

That's why "there's a finite limit" to how much solar power Kauai can consume right now, Rockwell says, showing me a graph of energy use over the course of a day. Between 10 a.m. and 4 p.m. on most days, Kauai nearly reaches its 100 percent renewable goal. Rockwell points out a gap of only a few megawatts between solar supply and the total electricity demand during the daytime hours, represented on the graph as a slim gray wiggle of conventional power under a heap of solar power.

"We're already adding that much in rooftop solar every year. But," he goes on, "if we can keep adding projects that don't have to deliver here," he taps the sunny yellow hill, "then we can start to erase this stuff," he says, gesturing to the twin peaks of dark gray conventional power book-ending the day. "And that's how we get to 100 percent renewable."

Now that the Tesla battery plant is up and running, the utility will be able to cut 1.6 million gallons of fuel use per year. That power will come right off the top of the morning and evening peak demand. Because those peaks are also the most expensive times to generate power, Kauai's customers should see a drop in their electric bills, too.

The co-op is already looking to its next solar-plus-storage installation, this one in partnership with the energy company AES. Announced in January, the AES plant will be about twice as big as the Tesla plant, and will supply 11 percent of the island's annual electricity needs by the end of 2018.

GRIST/DANIEL PENNER

By 2025—three years ahead of their latest goal—the utility expects to get 70 percent of its annual energy from renewables, much of it stored in those battery packs for use during the evening and morning peaks.

In June, Hawaii became the first state to formally adopt the Paris Climate Accord, in the wake of President Trump's announcement that he planned to pull out. The mayor of Kauai, Bernard Carvalho, also threw his support behind the agreement.

"Although Kauai is a small island," Carvalho said, "we believe it is our responsibility to take a leadership position on climate change mitigation. And we are strongly committed to staying on course to build a more sustainable and resilient future."

But what will that future look like? It's increasingly clear that it won't be the off-the-grid Eden that folks like Eyslin once imagined. Personal solar panels and other attempts to live the virtuous life look outdated in a place like Kauai, where the utility is committed to cutting carbon and costs at the same time.

The economies of scale are such that Kauai's utility cooperative can install a solar-and-storage unit for about half what it would cost a family to install the same amount on a house. Even when it comes to the island's fossil fuel-generated power, the utility can produce more from a gallon of gasoline than someone with a \$100 generator in their basement.

BARBARA NAGAMINE, Former Member Services manager for KIUC, age 65: "I wanted AC in the home, and we knew that was going to cost a lot. So we put in solar. Both of us are retired now. We had to change our lifestyle, so instead of washing clothes or turning on the dishwasher at night, we do it all during the day now. It's been working for us. We love it." GRIST/DANIEL PENNER

Relying on personal power, Rockwell says, is no way to power a community, let alone an island.

This became obvious to Evslin midway through his yurt experiment: Inefficiency is the ultimate downfall of any individual effort to address climate change.

"Either you're wasting electricity in a closed system, because it's sunny and your batteries are full, or you don't have enough power and you gotta run your generator," Evslin says. "That's not a bug in my system. That's a feature of any off-grid system."

These trends mean incentive programs set up to encourage homeowners to install solar panels are now out of whack. Hawaii's public utility commission still requires Kauai's utility to pay early solar adopters for power they generate, based on "avoided cost of fuel." But these days, the power that's being avoided doesn't come from fossil fuels—it's being provided by the island's solar farms.

So although the utility is offsetting some panel owners' bills for their (less efficient) solar power, the rest of the utilities' costs (like batteries) are divided among members who don't have access to rooftop solar power. These are the kinds of policy disincentives that Hawaii and the rest of the country will need to take into account as renewable power scales up.

As the island around them goes solar, Luke and Sokchea are looking at houses—they've tentatively picked one out—that would put them back on the grid, and back in a community they could feel a part of. If they lived in town, they could cut down on a huge chunk of their remaining energy use by walking or biking to work, or to run errands.

Still, they both admit they are reluctant to leave the yurt. Settling onto the couch with their dogs in the evening, Finley sleeping in a crib on the other side of their single large room, Luke and Sokchea weigh the pros and cons. They could shell out several thousand dollars to the utility company to hook them up to the grid out here, sure, but they'd still be left with many unanswered questions.

---

## Related Stories

---

CLIMATE DESK

[A Crucial Climate Mystery Hides Just Beneath Your Feet](#)

NATHANAEL JOHNSON

CLIMATE DESK

[Silicon Valley's Mission to Save California Ag From Dying of Thirst](#)

EMMA FOEHRINGER MERCHANT

ENERGY

[Inside the Race to Build the Battery of Tomorrow](#)

AMELIA URRY

What about the benefits of neighbors, a little lacking out here at the end of the road? What about walls, which might come in handy as Finley gets older? It's still beautiful here, but it's no longer the dream it was when they moved in.

The experience taught Luke a lot. He learned first-hand the challenges of solar power—how cheap it seems when he needs to run a fan in the middle of the day, how expensive when he's rationing out the last watts in his batteries.

By retreating to his hideaway, Luke came to understand the power of civic participation. He's pursuing a masters in public policy online, and it's not hard to imagine him—wry, self-deprecating, easy to talk to—running for a seat in county government, or maybe even on the utility board.

"The solutions to all of this can't be individual," he says—and by "all of this," it's clear he's thinking about the challenges facing society as a whole, not just Kauai, not just energy.

Walking me out past the taro patch, back across the swinging bridge that spans the creek surrounding his property, Luke points out one last thing. "It's funny," he says, "it was only recently I learned that Thoreau had his mom bring him food out in the woods."

*Reporting for this story was supported in part by Longreads and the Fund for Environmental Journalism of the Society of Environmental Journalists.*

---

## Featured Video



WATCH

### Crescent Dunes Solar Energy Project Part 1: The Facility

#### Crescent Dunes Solar Energy Project Part 1: The Facility

Take a look inside the first commercial-scale solar energy plant to use nothing more than the sun, molten salt, and a whole lot of mirrors to send power to the people. If the Crescent Dunes Solar Energy facility works as promised, it could be a model for the future of renewable energy.

---

TOPICS [CLIMATE DESK](#) [RENEWABLE ENERGY](#) [SOLAR](#) [BATTERIES](#)

---



# **CONSOLIDATED COMMISSION ON UTILITIES**

Guam Power Authority • Guam Waterworks Authority  
P.O.BOX 2977 • Agaña, Guam 96932

## **RESOLUTION NO. 2016-19**

### **CONSOLIDATED COMMISSION ON UTILITIES APPROVAL OF THE SOLAR ENERGY PURCHASE AGREEMENT BETWEEN THE GUAM EDUCATION FINANCING FOUNDATION (GEFF) AND THE GUAM DEPARTMENT OF EDUCATION (GDOE)**

**WHEREAS**, the Guam Department of Education has requested that the Consolidated Commission on Utilities (CCU) review and approve the Solar Purchase Agreement between the Guam Education Financing Foundation (GEFF) and the Guam Department of Education (GDOE) as provided by Public Law 32-095 (11/27/13); and

**WHEREAS**, Guam Power Authority (GPA) has reviewed the proposed agreement, and the solar PV system proposed by GEFF meets the requirements set forth in PL 32-095 in that the system must not exceed 80% of the power used by the school, and not to exceed 80% of GPA billing; and

**WHEREAS**, the proposed agreement provides for solar PV systems for Okkodo High School, Astumbo Middle School, Liguán Elementary School, and Adacao Elementary School; and

**WHEREAS**, GPA will require that the proposed solar PV system be reviewed by a system impact study to determine what mitigation measures may be required by the installation of the proposed solar PV systems at the four schools.

**NOW, THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES as follows:

1. The proposed Solar Purchase Agreement between the Guam Education Financing Foundation (GEFF) and the Guam Department of Education (GDOE) as attached is approved, subject to the completion of a system impact study for the four school locations, and the installation of any mitigation measures recommended by GPA as a result of the system impact study, which shall be done at the expense of GEFF.
2. The Contract price for the first year of commercial operation is set at no greater than \$0.196/KWH.

**RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution


**DULY and REGULARY ADOPTED this 22ND DAY OF MARCH 2016.**

**Certified by:**

A.T.O.

**JOSEPH T. DUENAS**  
**CHAIRMAN**

**Attested by:**

Attested by:   


---

**J. GEORGE BAMBA**  
**SECRETARY**

**J. GEORGE BAMBA**  
**SECRETARY**

## SECRETARY'S CERTIFICATE

I, **J. George Bamba**, Secretary for the Consolidated Commission on Utilities do hereby certify that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place thereof on March 22, 2016, at which meeting of all said members had due notice and at which at least a majority thereof were present, and

At said meeting said resolution was adopted by the following vote:

Ayes:	4
Nays:	0
Absent:	1
Abstain:	0

As of the date of this certification, said original resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

**SO CERTIFIED** this 22<sup>ND</sup> DAY OF MARCH, 2016.



J. GEORGE BAMBA  
Secretary

Consolidated Commission on Utilities



# SENATOR JOE S. SAN AGUSTIN

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN  
CHAIRMAN, COMMITTEE ON APPROPRIATIONS, GENERAL GOVERNMENT OPERATIONS & HOUSING

---

## Committee Report Digest

### **I. OVERVIEW**

**Bill No 219-35 (COR)** was introduced on **October 15, 2019** by **Senator Joe S. San Agustin**, co-sponsored by ***Speaker Tina Rose Muña Barnes, Senator William M. Castro, Senator Clynton E. Ridgell*** and was subsequently referred by **The Committee on Rules** to **The Committee on General Government Operations, Appropriations, and Housing** on **January 24, 2020**.

The **Committee on General Government Operations, Appropriations, and Housing** convened a Virtual Public Hearing on **Bill No 219-35 (COR)** on **Friday, October 23, 2020** at **3:30PM** in ***Virtual Public Hearing Conference Platform***.

#### **Public Notice Requirements:**

Public Hearing notices were disseminated via **e-mail** to all senators and all main media broadcasting outlets on (First Notice), **Friday, October 16, 2020**, (5-Day Notice), and again on (Second Notice) **Wednesday, October 21, 2020** (48-Hour Notice).

#### **(b) Committee Members and Senators Present:**

- Senator Joe S. San Agustin, Chairperson
- Senator William M. Castro, Member
- Senator Amanda L. Shelton, Member
- Senator Therese M. Terlaje, Member
- Senator Sabina E. Flores Perez
- Senator Telo T. Taitague

#### **(c) Appearing before the Committee:**

- John M. Benavente, P.E., General Manager, Guam Power Authority
- Lynn Scott, President & CEO, Green Energy Solutions, Inc.
- Jon J. P. Fernandez, Superintendent, Department of Education
- Luke Evslin, Kaua'i Island Utility Cooperative
- Jeffery Voacolo, Chief Operations Officers, Micronesia Renewable Energy Inc

- Frederick J. Horecky, Chief Administrative Law Judge, Public Utilities Commission
- Carlos Camacho, Member, Guam Education Financing Foundation

**(d) Written Testimony Submitted:**

- John M. Benavente, P.E., General Manager, Guam Power Authority
- Lynn Scott, President & CEO, Green Energy Solutions, Inc.
- Jon J. P. Fernandez, Superintendent, Department of Education
- Jeffery Voacolo, Chief Operations Officers, Micronesia Renewable Energy Inc
- Andrew Park, President, Pacific Energy Corporation
- Frederick J. Horecky, Chief Administrative Law Judge, Public Utilities Commission
- Guam Youth Climate Strike
- Thomas W. Krise, PhD., President, University of Guam

**II. SUMMARY OF TESTIMONY & DISCUSSION:**

This Virtual Public Hearing was Called-to-Order @3:30P.M.

**Chairman Senator Joe S. San Agustin:** Good Afternoon and Hafa Adai, The Committee on General Government Operation, Appropriation and Housing is now called to order. Today is Friday October 23<sup>rd</sup> the time now is 3:30. Welcome to everyone connected by zoom and those tuning in via television or the YouTube channel. Thank you for your patient and accommodating this zoom platform while we maintain social distancing mandates. Public notices for this virtual public hearings were disseminated via email to all Senators and all main media broadcasting outlets on Friday, October 16<sup>th</sup> and then on Wednesday, October 21<sup>st</sup>. The bill we'll be discussing today is **Bill No. 219-35 (COR)** introduced by myself co-sponsored by Speaker Tina Rose Muña Barnes, Senator William M. Castro and Senator Clynton E. Ridgell, **AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE UNIVERSITY OF GUAM.** The rules of this hearing are the zoom meeting is hosted by my staff and will mute all zoom participants until called upon by myself. Members of the committee and or non-committee members wishing to speak may indicate the desire to meet through the in-app chat feature. Individuals testifying shall first be recognized by me before speaking and begin by stating their name for record-keeping purposes. When called to speak, please ensure that you are unmuted. Committee members will be allowed to pose the question to an individual testifying. Questions and testimony shall be confined to **Bill 219-35**. Personal inference as to the character or the motive of any Senator, or any individual testifying, is not permitted. Any

violation of this general rule of conduct will result in the removal from the public hearing by my host. Please ensure that your video remains on throughout the hearing. Participants must be visible at all times and not engaged in other activity during the hearing. If you need to take a drink and you want to eat a snack while you're at it feel free. I have no problem with that. Failure to maintain visibility may cause your removal from the meeting live stream. I'd like to acknowledge the presence of my colleague, Legislative Secretary Senator Amanda Shelton. And I will provide an opening on **Bill 219**, I would like to also recognize everyone that's present, let me see if I can just make sure I get the names correct okay we got John B Benavente from what's it GPA, GWA the whole group there that's what John represents and we got Mr. Lynn Scott from Green Energy we got Jeffrey Voacolo from Micronesian

Renewable and we got Frederick who's the PUC but also gosh what are the positions Fred you hold other than PUC.

**Frederick J. Horecky, Chief Administrative Law Judge, Public Utilities Commission:** Also, Private Council but I'm here as logic.

**Chairman Senator Joe S. San Agustin:** Yes, all right thank you sir, I'm just going to read my introduction of the bill and then we'll ask each one of you folks that are here to uh testify and then I know that Senator Shelton I may ask you a few questions if need be all right. Bill 219 a certain five was introduced to open the doors to procuring solar energy for our educational institution in DOE, Charter Schools, GCC and UOG. I'd like to also recognize Senator William Castro join us one of my co-sponsors thank you.

**Senator William M. Castro:** Thank you Mr. Chair.

**Chairman Senator Joe S. San Agustin:** With over 12 million dollars being spent on energy annually, we are confident that this bill was this institution and saving these funds for much needed expenses such as equipment, teaching materials and capital improvements. These savings may also be leveraged as a source of payment for the institution to utilize any financing mechanisms such as bonds or other federal loan programs for facility maintenance or construction of service. **Bill 219** took the original PPA law and amend it to open the doors to provide the option of a sale lease back while allowing the individual institutions to procure on their behalf. With additional safeguards we hope that the community will support this measure as its goal is to save funding apply those savings into other much-needed areas of education. We conducted a roundtable meeting on this matter months ago, and today, we want to get the remaining comments and recommendations from our community. I look forward to hearing the testimonies today and hope we'll be able to make this a reality as we move forward in going green in our government and on our island. Si Yu'os Ma'ase'. I'd like to also recognize Mr. Carlos Camacho joining us today. And I will begin for testimonies we'll begin with John and then we go to Lynn Scott and then Jeffrey and then Fred and then Carlos. And then we'll open it for my colleagues to ask any questions all right John so, why don't you go ahead and will it you begin thank you.

**John M. Benavente, P.E., General Manager, Guam Power Authority:** Thank you Mr. Chairman and Senator Shelton, Hafa Adai, (See attached written testimony from Mr.

Benavente) thank you Mr. Chairman and I'll be ready to answer questions when you're going around.

**Chairman Senator Joe S. San Agustin:** All right just stand by John and I as we finish all the testimony then I'll open it to my colleagues. I'd like to also recognize Senator Therese welcome back from our earlier hearings that we have done, thank you. Lynn Scott if you're ready sir, you can go and speak and for everyone, for my colleagues, I did receive I just received the testimony of Mr. John Benavente and other attachments and that will be provided to you. All right, Lynn if you can Mr. Scott you can go ahead and unmute and I also like to recognize Senator Telo Taitague you need to unmute their Lynn.

**Lynn Scott, CEO, Green Energy Solutions:** All right, thank you Chairman and other colleagues and members of the industry, being able to speak on this this bill again. I spoke at the round table and just like John Benavente I would like to recommend that the legislature put a hold on this for some of the reasons that he brought up. But also, for some other reasons different than his. Mostly because of the size that is being allowed and the length of contract, in here there is no mention of energy conservation at all and as all of you know that that has been our primary focus over the last 10 years in energy conservation before solar production. I also now know that we have some of the largest and best batteries there are that last for now 20 years and are warranted for 15 years. So, with that being said energy conservation is a key. And so, if I remember and John Benavente didn't bring this up it was just two years ago that GPA paid for a study that showed for 12 million dollars that GDOE schools could save 30 percent of their power bill for just 12 million dollars. Okay, that's 30% right off the top and in this bill, it discusses allowing them to build solar production up to 80% of their consumption. Well already we've oversized it and now we want to talk about oversizing for the next 25 to 40 years. Why would we do that when technology and air conditioning and lighting and other things would make it even more oversized and continue to cost the taxpayer even more and more.

I would ask that you look at the engineering studies that were paid for by GPA already! And rethink this strategy by downsizing and taking advantage of the energy conservation items that are available at significant lower cost to the taxpayer and to the government of Guam. You could sit down and save 80% with significant lower costs okay in addition to that especially during this time of COVID we can put a lot more local workers to work in industries that can be provided right here on Guam. So, again my recommendation is please rethink this before you take this to the voting floor and look at what we can do right here locally before we put this out to the big contractors globally. Okay, lighting air conditioning I can provide examples of projects we've done where we achieve 90% saving of which lighting and air conditioning were able to save buildings, large commercial buildings, 90% of their energy consumption long before we played in the solar market. Now I do believe in the intent of providing the remaining energy savings with solar and battery storage and that's why we also do those products as well. So, thank you for allowing me to testify but please slow down and re-look at the numbers from an energy conservation standpoint before power production thank you again and i sit ready to answer any questions.

**Chairman Senator Joe S. San Agustin:** All right thank you Mr. Scott, Jeffrey Voacola I know we got Jon Fernandez coming on board and he has a quick meeting. So, Jeff if you don't mind if you could please, I'll allow Jon Fernandez because he has to take off to a meeting and he has testimony and then you would follow all right Jeff.

**Jeffery Voacolo, Chief Operations Officer, Micronesia Renewable Energy:** Yes sir.

**Chairman Joe S. San Agustin:** Jon are you ready, Jon Fernandez?

**Jon J. P. Fernandez, Superintendent, Department of Education:** Yes sir, hi sorry about that, just kind of transitioning from a workshop. I'm chairing on the one hand and to another meeting on the internet access for our students and I just want but I didn't want to come here I just submit written testimony and hopefully I can just answer any quick questions if there are any but basically of the testimony I submitted hopefully you have it and can distribute it you know basically it's in general support of **Bill 219-35** basically the main points of my testimony are I understand that the bill expands the number of institutions who are authorized to seek the use of renewable energy by including Guam Academy Charter Schools, GCC and UOG in addition to GDOE. The bill also adds the option for end for us for the entities to enter into a sale lease back agreement in addition to a power purchase agreement. Further the bill extends a potential term of agreement to 40 years which expands opportunities for financing solutions so we don't necessarily take any of express any opinion on whether to extend the authority to access renewable energy to other entities I believe that you can be well discussed between within the near this committee. But we do support the flexibility added by providing a sale leaseback option as well as expanding the time frame for an agreement of to 40 years. And the reason I say that is you know in the course of discussions over renewable energy over the past you know several years.

One of the options that's been raised is the possibility of simply you know using the sale lease back mechanism to purchase the equipment for the schools and you know not have to necessarily go down the power purchase agreement if it didn't make sense. And again, by adding that language it would allow us to go you know in two different you know with two different possibilities either a PPA or a sale lease back option depending on what you know would benefit the agency the most. The sale lease back I mean the extension of the term to 40 years we would support. I think the reason why we would support this is because we've been in active conversation with the U.S. Department of Agriculture on the potential use of USDA funding to be able to support. You know this type of arrangement for solar energy and if we were able to take advantage of USDA financing the term the terms that they provide are up to 40 years. And if that's the case we'd like to have that at least available as an option you know when it comes to looking at a solution for the schools.

The on the other the bill goes on to to reserve 100% of the energy savings to be able to be used for maintenance for or for capital improvement projects and the language authorizes that these savings can be leveraged to finance facility improvements that we know are greatly needed throughout our school district. So, you know we've I fully support this provision as a way to secure a dedicated funding stream for major facilities improvement. I would definitely want to make sure that in the bill or any you know related bill including the Appropriations Act

for instance, that there be some clarity as to how the savings are calculated. So, for instance you know looking at our past bills our past billing we can definitely estimate what has cost us you know in past years to purchase power and certainly going forward we could you know we could definitely identify the savings based on our past billings. But I guess the bill doesn't really you know talk about the mechanism I would want just to make sure that there's some clarity as to how that savings would be calculated. Because if we are going to leverage that potentially for to finance capital improvements there's going to need to be some clarity and a pledge you know of a certain level of resources that we want to make sure is not and you know as unambiguous when it comes down to leveraging those funds. And then finally with regard to the procurement process. I you know I'm I think I will leave that to the legislature, I'm supportive of any action or effort to make the procurement process more efficient. I know that for us it there it impacts our projects in a couple of ways. For DOE in terms of our procurement we just want to make sure that there's clarity in terms of how we move forward to you know to procure the services that we need for our schools.

But my understanding is that when it's come to when it can't when it has come to the landlords procuring well the landlords of our lease schools being able to take advantage of the solar energy agreements that there has been some confusion with regard to exactly how exempt they you know the landlords are from the from the government procurement office. What I mean by that is that in the in the original legislation, it looked like for the landlords of the lease schools they were able to and authorized to go out and enter into a power purchase agreement without having to conform to GovGuam procurement rules and regulations. But upon further review and discussion with the AG, they weren't in agreement that that exemption was very clear and straightforward. And so, there has been some back and forth in terms of that discussion as to as to whether the exemption was understood and able to be applied. So, again you know as long as you know we can address the issues to allow us to move forward efficiently I'm open to whatever language you would propose around procurement. So, with that Senator I'd be happy to answer any questions.

**Chairman Joe S. San Agustin:** All right thank you Jon I do you need to really run away really quick but I'd rather try to get everybody's testimony so that you could hear it also, would you be able to hang around for a while.

**Jon J. P. Fernandez, Superintendent, Department of Education:** I can hang on as long as I can oh yeah, I'll be able to try my best and I'll let you know if I have to jump off and I'll tell my team to try to run the meeting without me.

**Chairman Joe S. San Agustin:** All right thank you I appreciate that I'd ask Jeff if you can go ahead Jeffrey Voacolo please if you can start with your testimony.

**Jeffery Voacolo, Chief Operations Officer, Micronesia Renewable Energy, Inc:** Thank you Senator (See written testimony).

**Chairman Joe S. San Agustin:** Thank you Jeffrey, Mr. Frederick Ricky sir.

**Frederick J. Horecky, Chief Administrative Law Judge, Public Utilities Commission:** Thank you thank you Chairman Senator San Agustin, members of the committee I'm Fred

Horecky I'm the Chief Administrative Law Judge at the Guam Public Utilities Commission and I'm presenting this testimony today on behalf of the PUC Chairman Dr. Jeffrey Johnson. **(SEE WRITTEN TESTIMONY ON BEHALF OF CHAIRMAN, JEFFREY C. JOHNSON, PUBLIC UTILITIES COMMISSION)** Thank you.

**Chairman Senator Joe S. San Agustin:** Thank you Fred. Mr. Carlos Camacho do you have anything to testify on please sir.

**Carlos Camacho, Member, Guam Education Financing Foundation:** Yes, I do, wow a bunch of power hitters. Well *Hafa Adai* Senators, John, Frederick the other John with the J-o-n. My name is Carlos Camacho I'm here on behalf of Guam Education Finance Foundation these are the guys that manage and represent the lease schools very similar to John F Kennedy, very similar to the teaching high school and originally when this bill was done many, many years ago. There were provisions that GDOE had followed and followed to the T of the law to get support from GPA, to get support through the Attorney General's office and all through the whole exercise not bypassing any other government entities that will review at that time per purchase agreement so the GDOE folks did all that. We went through GPA just to let Mr. Horecky know we went to GPA, we met with the CCU, we provided them whatever technical requirement based on that law and I don't know if you guys can see this and I'll provide it as a testimony. We receive resolution 2016-19 right here from the CCU so nobody was left in the dark, everybody was fully informed and yes there is let me just shut this off. I'm sorry GPA did put their whereas conditions and one of those conditions are the mitigation factors. We need to give schools, they had to do in order to transport those solar energy back into the grid lines. So, all those things were discussed five six years ago and all those things we've worked with engineering or GPA and this is the reason we received the resolution from GPA. What held us back in the five or six years and we took five to six years of back and forth from both government and the attorney general's office even though the schools were third party owned and even though the procurement was removed because it's third party owned.

There is still the other part of the procurement arm section 504, 505 on 506 that held back the agreements of moving forward of the GPA so six years later today or since February, we're coming in trying to fix these technical conditions that was brought up and Mr. Ricky, I apologize, I did not know that this was a bond violation because if that was the case we should have been red flagged at that point. We should have been red flag at that point and if that was the case just recently almost two, three weeks, a month ago one of the least schools just procured through the bond through GEDA who went through bond advisory council. That was never the flag was never raised as she just described and they floated a nine million dollar solar bond through the same process so I know you said earlier you think it may be a bond violation so the great news is that already went through that exercise and at least the standards and everybody involved that floated that bond I guess didn't see that red flag either so that's why JFK floated a nine million dollar solar project now, that did not go through a PPA and that did not do all that stuff that was divide defined as a lease back provision.

That's the reason this bill has a lease back so we can make sure that we don't meet the PPA agreement where another concern that was brought up in February is to call the escalation factor. Every year that's that escalation factor right and you don't know when that would just keep going up every year for the 20 years well under leaseback provision there's no

escalation factor or non-PPA purchase agreement there's no escalation factor so at least you know your fixed cost and you can combine that with grants and loans and a fixed cost with no escalation so that's all we only the gift guys only play a part of this role in 219 because this 209 is part of original bill 32 something i forget 30 to 95 i think but we were just here to fix the technicality of us following the law and as you can tell we waited six years and it's two six years and today we're hearing all the impacts and potentially bond the bond covenant violation or the PUC violation but I'm just dumbfounded if that was the case the same body just gave a nine million dollar solar project for a lease school and you put Mr. Ricky, I'm not sure if you know about that just closed and they just are ready to go in but that's not a PPA.

They're building 9 million worth of solar panels in their schools I and maybe Mr. Jon Fernandez can talk about that but I don't know the details other than what I'm hearing through media and what I heard through press releases that they've done it so all we're doing is we just we went through the exercise again to reiterate we did not bypass GPA, we went to the CCU for courtesy and respect as per what the law said and CCU did come back. Even benevolent team came back goes okay one of your things is it's called right here a systems impact study exactly what you said can you do a system impact study for the areas where you're impacting the grid line that was six years ago and we've been working with uh engineering or GPA and that and this is why we got the resolution at least for those schools now for the rest i don't know maybe that safeguard can still be there because maybe when the rest of the other assets are trying to get in and that grid line is not able to absorb the those type of backflow energy and maybe that's where uh it doesn't meet the condition but at least in this case we followed every rule of engagement just for the record we followed every rule of engagement and our problem for six years was the technical part of uh because the word was GPA per press agreement, it conflicted with one part of the procurement side of the law section 504 505 and 506 which is why that one is being further amended in this law, proposed law but other than that there is a safeguard we follow. The rules GPA did say you must provide a system impact study. I mean the last six years that's what we've been doing and if that impact was negatively diverse, they would have come up with a mitigation plan according to this proposal. That's all I'm saying so in this case I'm only speaking on the lease schools that I'm talking on behalf.

**Chairman Joe S. Agustin:** Thank you very much Mr. Carlos, we'll now begin testimony I see the Legislative secretary Senator Amanda Shelton and you'll be followed by Senator Castro.

**Senator Amanda L. Shelton, Legislative Secretary:** Thank you very much, Mr. Chair and I want to thank you and I want to thank all of the stakeholders who are here today, everyone from the PUC from GPA from our industry, renewable energy industry experts as well as the department of education representatives. Thank you very much superintendent, and Mr. Camacho for being here today. I appreciate all the testimony and learning of the different possibilities that may come of this bill and if Mr. Benavente and Mr. Horecky, I know that Mr. Camacho just mentioned and Mr. Scott earlier in his testimony mentioned the study that you folks did a few years ago. If you can share with us some of the details of this study with regards to the authority and what we can learn from this data that we already have collected.

**John M. Benavente, P.E., General Manager, Guam Power Authority:** Yes, Senator go ahead and I will send you that study which was about a year and a half ago that we at GPA

invested a quarter of a million dollars to analyze all the schools for energy efficient projects and in fact subsequent to that we spend another 250,000 and we put in a pilot project at carbon level school and that that will give some results. You know I'd like to also address the as mentioned by Carlos Camacho and really, I could understand all the effort that has been put in to that scenario and he did mention it's been six to seven years. Six to seven years or so be before when that resolution was passed net metering was probably only about five megawatts versus the 26 megawatt today and so that's part of the difference and that is the difference today is that the PUC has said they will address, look at it in the 26 megawatts so therefore increasing net metering caps beyond what the PUC has said is really kind of interfering with the scenarios so yes if it was put in right away and not have all these issues about procurement and everything GPA and the CCU did approve the for the lease schools to proceed and that was approximately about five megawatts. If I remember correctly and actually that was five megawatts that didn't even require battery at the time but because time has come all this way, the conditions of the systems, our system is changed and different today and it's something that we video should sit down and take a look at based on what Mr. Camacho has mentioned today so you know we don't believe, to me, we support solar panel and all these systems. We just want to make sure it works well for everyone that's our point.

**Senator Amanda L. Shelton, Legislative Secretary:** Okay thank you very much Mr. Benavente for that information. And I look forward to receiving the data from you in the next couple of days so that we can you know I'll take a look at that and see how it can help us move along with this legislation. Obviously, Mr. Chair, I'm you know very excited about this bill and the potential savings that it can bring to our institutions of learning and also help us as we move forward with the mandate that we as a legislature passed for 100% renewable energy for our island and hearing from you folks, Mr. Voacolo, about you know the improvement in grid management and battery storage, you know this makes us very hopeful that it will be possible and that we can find a solution here come to a consensus to make this happen. I think what's different today about DOE and what's different about our institutions of higher learning in this whole situation is that we know that in this last budget cycle, that we saw significant cuts to DOE and to UOG and GCC and they're experiencing dramatic shortfalls and so I applaud the authors of the legislation for helping us to think innovatively to help the education system as well as a long term to preserve our environment in the best way that we can and I will take into consideration all of the testimony that you gave here today about the different effects on our other rate payers and how we can move forward together so I appreciate the opportunity Mr. Chair thank you.

**Chairman Joe S. San Agustin:** Thank you, Senator Shelton, Senator Castro, do you have anything you would like to mention or ask any questions sir?

**Senator William M. Castro:** I just a short comment Mr. Chairman, first of all thank you to the panelists for providing your technical perspective. I think it's healthy to see a variety of perspectives that each of you have from a public policy perspective Mr. Chairman clearly, we have differences of opinion on energy conservation and overall cost reduction and so this is this is good fodder for a healthy debate. This is definitely not the last discussion I'm going to have with, Mr. Chairman and subject matter experts but I think it's a good broad stroke across the spectrum here to hear from our public sector representatives and from some folks from the industry here many of you I respect, nice to see you again Mr. Fernandez, thank you for coming on Mr. Scott, your input is always appreciated and Carlos coming in from the

development side of the house with deep knowledge on the federal side I appreciate that so I can say good things about all of you but I'd like to Mr. Chairman if I could, I'd like to have another opportunity after we digest all of the input to ask these technical questions what you folks tend to see from time to time is we get into a debate on the floor and usually our debate is restricted to what's in front of us and what we've heard and what we've read it isn't too often that we get to have a healthy debate on each of these finer points with people like you on a back and forth until after we've digested the material this is for me, Mr. Chairman, for giving is very technical I understand with you on the measure but I'm certainly open to amending it so that the people of Guam benefit ultimately in the best way possible so if I could just respectfully request of you.

Mr. Chairman and your able staff one more time to come around and have a discussion where I can ask specific questions of the subject matter experts and these public policy officials here at the table so thank you Mr. Chairman for the privilege to co-sponsor the measure with you and I look forward to a follow-up discussion.

**Chairman Joe S. San Agustin:** All right thank you, Senator Will, Senator Telo, do you have any questions you want to pose to the folks that are here today?

**Senator Telo T. Taitague:** Thank you Mr. Chair, actually probably well I do have a question with regards to the one part in the bill that says that any individual who is going after the I'm sorry, I'm trying, I'm learning to work everything online now and that means bills and they're I'm a hard copy kind of person but trying very hard to you know save a tree. But there's a section in there that requires a five year, okay here it is, the last page with a local track record of five years doing business as solar energy provider on Guam. Now during the round table it was mentioned that I think it was you Mr. Chair, where you would ask the question several times if there'd be a okay so what if we just took out on Guam and just have that five year experience so I was hoping somebody would have touched on that but they didn't so I'm bringing it up. I think that it could be very unfair to just say on Guam. I think you know having someone with the experience of five years is good enough especially if it won't cost as much.

The concern on the issue with bond covenant is very serious. I know that Carlos, you brought something up regarding that and so that it's a concern that I will be looking into other than that Mr. Fernandez. My last question, have you had an opportunity to sit down with PUC, Frederick Horecky and discuss this bill.

**Senator Telo T. Taitague:** I can't hear you sir, okay.

**Jon J. P. Fernandez, Superintendent, Department of Education:** No, we haven't, we haven't had a chance to discuss this bill in particular this is actually the first time I've heard of the PUC's view of this proposal. I mean it is different from our prior, from the prior bill that was in place and as you recall that bill allowed for GSA to procure people you know power entered the power purchase agreements on our behalf and then the lease schools had their you know their process for doing that so we never had the opportunity to move forward and just this March, we were just I think that we were given the authority to begin to move uh forward in that direction with PPA's although the COVID-19 pandemic has kind of taken over most of our bandwidth so this bill you know does a couple of different things beyond that which is you know with the expansion of the bill to other entities.

The inclusion of the sale lease back and the expense the extension of the term all of those uh compared to the prior bill would get would provide more flexibility for GDOE to move forward and explore how it might take advantage of that authority but you know again that's how we view the bill as being more flex more flexibility for us to be able to move forward but you know this is the first we're hearing in terms of how that might impact you know the utility so you know we're here listening as well.

**Senator Telo T. Taitague:** Yes, the bond covenant so I'm sure the two of you would probably discuss this further because you know I'm sold on solar but I'm also sold on it that it's going to actually provide us a great savings and sometimes when people don't see the long run you know the longevity of it and how we can save money, it's hard to see that if you're not looking forward ahead and I know that GCC and UOG, they've already been part of some kind of both installation of polar solar system so I don't understand why they would be a part of this legislation because they're already given that authorization to do so and they've been working with GPA on some incentives there for saving power and initiatives and lead equipment but I did have a question because you know Mr. Fernandez, I remember talking to you about the possibility of owning this, the solar system, the panels itself going through a grant opportunity federal government the energy office has these opportunities and to do it in small phases so we talked about that so I'm hoping you remember that conversation and I know that you're working closely with GPA as well as the other stakeholders so I ask that you please keep that in mind. You know that, you know baby steps especially in COVID, we're now learning how to co-exist with COVID. It may have to take baby steps at this point but I do know that the cost savings would happen if we owned out owned the solar panels and rather than doing through a PPA. It would be better off government.

**Jon J. P. Fernandez, Superintendent, Department of Education:** Well I've heard that as well especially in our last hearing on this bill and I think that's probably the reason why the sale leaseback provision was also considered given the fact that we don't have the immediate resources to enter and to outright purchase the equipment and I know you said look at look at the possibility of grants we did look at you know working with the U.S. department of agriculture for financing assistance so that's where that term extension of the term to 40 years would be beneficial. However again it just I think for us, we just need clarity from the legislature with regard to the policy on what is allowed and what is not allowed so we can move forward right now. We're authorized to explore PPA's as the primary option and then if this bill passes we would be given an opportunity to evaluate whether a sale lease back mechanism would be more beneficial, financially and so forth the advantage of a sale lease back at the very you know even it will give us an opportunity to finance the purchase but also it would then establish a very definite cost per year that we would be able to plan around and be able to estimate savings.

You know in terms of our utility bills versus the power purchase agreement which you know involved an escalator and involve some assumptions about the cost of energy, you know going forward so there are some good advantages and disadvantages to that but you know I think that this bill just expanded the toolbox for us and so we're just kind of I think for us we just need to know whether we'll have that additional flexibility to be able to purchase but do with the leaseback you know mechanism.

**Senator Telo T. Taitague:** Okay thank you Mr. Fernandez, I appreciate your comments and thank you, Mr. Chair and everyone who's here today to testify, appreciate it.

**Chairman Joe S. San Agustin:** All right thank you, thank you I'm going to wrap this up really quick I'm just going to make a few statements. Number one, thank you Mr. Scott for what you brought up when you talked about lights, air conditioning and stuff like that. I took that when we met, I would say maybe eight or nine years ago when you were up in upper Tumon, I took that recommendation wholeheartedly. I went to Home Depot later, I bought all the leds and changed all my light system, reduced my power consumption, reduce my cost on the solar part. I got involved in the solar, reduced my cost so and Fred, thank you Fred, you know you're my lawyer so I'm not I take your comments wholeheartedly but it just bothers me just a little bit when we start talking about well we can't do the solar because GPA is going to lose money and John Benavente, I'm in support of GPA 100 but there's got to be a mechanism in place where everybody's got to get in the same sheet of music, number one as people move from solar or changing their light bulbs, changing their air condition, their consumptions go down we can be saying that if we do the solar, we do any energy, renewable energy wait a minute because the people the other people want that are not will renewable energy will have to pay more. No, I think GPA needs to adjust on how they produce power and I can understand what needs to happen in reference to the bond market and I think we'll work this out.

I know that Senator Shelton text me, did you UOG and GCC asked this I was pushing this since the last term of UOG, that's why they're in the solar now because they're trying to find a way because we couldn't get this off the ground and I know, Jon, you and I talked about three years ago. You're supposed to present a program that was supposed to so we can prepare DOE and UOG and the whole Government of Guam so we can start reducing government dependence on the people of Guam, paying for the power when we can reduce it and start sharing it among the people of Guam so that everybody on the island can get a lower rate somewhere somehow and I know that we're still looking at that. This is not just only for DOE, UOG and GCC but I heard a statement that how about the whole government why don't we reduce what government is paying in power. Why don't we change all our lights when we change all our air conditioning? Why don't we just do what's right and let's get into saving renewable energy and then we help GPA figure out a way because remember Jon when you guys were going to build or buy the property over across the Micronesian Mall, I said that if you can't, if you don't need to buy, put a power plant, put a soda farm and you know you can't forget that because on the open floor when I said that two years ago and I'm only hoping that we find a way to save some costs throughout the island Government of Guam.

The people want, let's go green, let's do what we need to do and you know what I'll continue to accept testimony and I will be reaching out to everyone out here so we can get something, so we can get this bill and we get this deal so all of us are all on the same sheet of music the GDOE needs a savings. I was on the board of education for six years that's all we've been looking for and remember Jon back then we asked for a private public partnership trying to find a way to reduce costs of dealing here. We still looking at that, they're trying to save money because they need to do capital improvement but with that said I'd like to thank all my colleagues for attending this afternoon's hearing and thank the panel Mr. Scott, Mr. Voacolo, Frederick, Jon and both John Benavente and Jon Fernandez, for attending and I will

continue to accept oral testimonies and we will still be reaching out Senator Castro made that very well-known and Senator Amanda we're going to reach out to every one of you and see what we can do to adjust make the amendments on the bill so that everybody understands the focus is on finding fine savings. That's the key renewable energy savings and we make it right that's all I've been always after. It's not about the easy way but the right way and we'll just do it and the committee will continue to receive testimony and please submit your testimony through senatorjoessanagustin@gmail.com and in closing again i want to thank everyone for attending the virtual public hearing for **Bill 219-35 (COR)** and for providing feedback and suggestions this virtual public hearing is now adjourned the time now is 4:48. Please stay safe, wash your hands, wear a mess, practice social distribution and Si

Yu'os ma'áse'and hook up to the app the COVID app thank you folks enjoy your weekend be safe thank you stay there you.

This virtual public hearing for **Bill No.219-35 (COR)** is now adjourned @4:48PM

### **III. FINDINGS & RECOMMENDATIONS:**

The Committee on **General Government Operations, Appropriations, and Housing** hereby reports out **Bill No. 219-35 (COR) – As Amended by the Committee on General Government Operations, Appropriations, and Housing - As Introduced by Senators: Joe S. San Agustin Speaker Tina Rose Muña Barnes and William M. Castro and Clynton E. Ridgell –“AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.”** with the recommendation To Report Out Only.

***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2019 (FIRST) REGULAR SESSION**

Bill No. 219 -35 (COR )

Introduced by:

Joe S. San Agustin  
Tina Rose Muña-Barnes  
William M. Castro

*Clynton Ridgell*

AN ACT TO AMEND § 7120 OF CHAPTER 7 OF  
DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO  
AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE  
12, GUAM CODE ANNOTATED; AND TO AMEND §  
5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE  
5, GUAM CODE ANNOTATED, RELATIVE TO  
STRENGTHENING THE PURCHASE OR LEASE-BACK  
OF RENEWABLE ENERGY PURCHASE OF SERVICE  
FOR THE DEPARTMENT OF EDUCATION, GUAM  
ACADEMY CHARTER SCHOOLS, THE GUAM  
COMMUNITY COLLEGE AND THE UNIVERSITY OF  
GUAM.

2019 OCT 15 PM 3:46

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

**Section 1. Legislative Findings and Intent.**

*I Liheslaturan Guåhan* finds that the use of solar energy on Guam is both  
economical and beneficial to our island and Pacific community.

*I Liheslaturan Guåhan* further finds that the Guam Consolidated Commission  
on Utilities is working on building solar energy capacity but finds the need for over  
3,000 acres of land and capital of over One Billion Dollars to achieve this.

It is the intent of *I Liheslaturan Guåhan* to move Guam toward cleaner energy  
production by utilizing rooftops of Guam's educational facilities at the Guam  
Department of Education, Guam Academy Charter Schools, Guam Community  
College and the University of Guam and their ancillary buildings as properties

1 eligible for the installation of solar panels to aid in attaining a lower cost for cleaner  
2 electricity production and usage and to provide strengthened legislation to purchase  
3 or lease-back renewal energy.

4 **Section 2.** § 7120 of Chapter 7 of Division 2, Title 17, Guam Code Annotated  
5 is hereby *amended* to read:

6 **“§ 7120. Power Purchase or Sale Lease-back Agreement to**  
7 **Purchase Solar Energy.**

8 (a) The Guam Department of Education (GDOE), Guam  
9 Academy Charter Schools, Guam Community College and University  
10 of Guam, hereinafter ‘Institution(s)’, may enter into one or more power  
11 purchase or Sale Lease-back agreements to purchase solar energy from  
12 qualified provider(s) which will be in the best financial interests of the  
13 government of Guam for a period up to ~~and not exceeding twenty-five~~  
14 (25) years and not to exceed forty (40) years. Such qualified PPA or  
15 Sale Lease-back provider(s) *shall* be selected by a Multi-Step Bid  
16 conducted by ~~GSA~~ respective Institutions, in accordance with the  
17 procurement law and regulations of Guam. The qualified PPA  
18 provider(s) or Sale Lease-back will be responsible for providing PPA  
19 or Sale Lease-back Agreement to cover *no more than* eighty percent  
20 (80%) of the ~~school’s~~ Department’s power needs as calculated for the  
21 immediately preceding twelve-month period from the date of the  
22 execution of the PPA or Sale Lease-back Agreement, for all GDOE  
23 owned Institutions, GDOE administrative, and GDOE ancillary  
24 buildings. For schools Institutions occupied under a lease agreement  
25 as of the enactment of this Section, ~~GDOE~~ the Institutions may amend  
26 its lease agreements or otherwise directly enter into a PPA or Sale  
27 Lease-back Agreement with a lessor for the purchase of solar power

1 produced with renewable energy directly from the lessor and without  
2 application of the procurement law including Section 5004, Section  
3 5006 and Section 5150 of Title 5 GCA. Such lease amendments or PPA  
4 shall not have a term in excess of twenty-five (25) years and shall be  
5 for no more than eighty percent (80%) of annual power needs of the  
6 leased Institutions based on the 12-month period immediately  
7 preceding the execution of the lease amendment or PPA.

8 (b) The qualified PPA or Sale Lease-back Agreement  
9 provider(s) shall be considered responsive if accepted proposals have  
10 been deemed technically acceptable and provide the best value to the  
11 Institutions and the government of Guam.

12 (c) The qualified PPA or Sale Lease-back Agreement  
13 providers may submit a single proposal without limitations or  
14 discrimination on all proposals made in good faith. A qualified PPA or  
15 Sale Lease-back Agreement provider(s) will be allowed to submit a  
16 single proposal for one ~~GDOE~~ Institution facility or multiple ~~GDOE~~  
17 Institution facilities in good faith.

18 (d) ~~GDOE and GSA shall~~ The ~~Schools~~ Institutions *may* seek  
19 technical consultation from the Guam Power Authority in  
20 implementing this Section, and the Guam Power Authority *shall*  
21 provide the technical consultation upon request at *no* cost to ~~GDOE and~~  
22 ~~GSA. GDOE and GSA~~ The Institutions *may* further seek technical  
23 consultation from the Guam Energy Office, the Department of Public  
24 Works, and/or a third party renewable energy consultant in  
25 implementing this Section and the consultation *shall* be at *no* cost to the  
26 Institutions ~~GDOE and GSA~~; any costs associated with a third party  
27 consultant will be passed through in total to the qualified PPA or Sale

1        Lease-back Agreement provider(s) equally and in full who is awarded  
2        the Multi-Step Bid.

3            (e)    In concert with ~~GDOE~~ the Institutions, the selected PPA  
4        or Sale Lease-back Agreement provider(s) *shall* review historical  
5        power needs, such as the past twelve (12) months of power  
6        consumption, of the selected schools and provide the maximum sized  
7        photovoltaic safely allowed by roof size, building orientation and  
8        location, and other physical conditions which may affect the safe and  
9        effective size of the photovoltaic system. In case shall the system be  
10       sized to produce power in excess of the needs of the specific building  
11       or campus as recorded during the previous twelve (12) months,  
12       exclusive of extraordinary circumstances, such as natural disasters, that  
13       may result in power generation greater than consumption for the period.

14           (f)    The qualified PPA or Sale Lease-back Agreement  
15       provider(s) *shall* pay for the design, financing permitting, insurance,  
16       installation, monitoring and maintenance of the system, and *shall* own  
17       and operate the system located on ~~GDOE's~~ the Institution's facility for  
18       the life of the contract at *no* cost to ~~GDOE~~ the Institutions or the  
19       government of Guam.

20           (g)    The qualified PPA or Sale Lease-back Agreement  
21       provider(s) must possess a valid Guam Business license, for at least five  
22       (5) years, prior to the award of the contract.

23           (h)    The qualified PPA or Sale Lease-back Agreement  
24       provider(s) *shall* be experienced in designing, implementing and  
25       installing solar energy systems, and have a record of established  
26       projects, demonstrate technical, operational, financial and managerial  
27       capabilities to design and operate a solar energy system.

1 (i) The qualified PPA or Sale Lease-back Agreement  
2 provider(s) *shall* warrant that the solar energy paid by GDOE the  
3 Institutions will *not exceed* eighty percent (80%) of Guam Power  
4 Authority's current billing charges to GDOE the respective Institutions  
5 schools, GDOE administrative, and GDOE ancillary buildings, as  
6 determined by the most recent utility invoices for that selected building,  
7 school or campus. Escalation of rates for years two (2) through twenty-  
8 five (25) *shall* be determined and set in advance and if it is a sale lease-  
9 back agreement there will be no escalation rates applicable to this type  
10 of sale lease-back agreement. At no time shall the qualified PPA or  
11 Sale Lease-back Agreement provider(s) produce power in excess of the  
12 needs of the designated school/campus, based upon annual  
13 consumption of the designated school/campus, exclusive of  
14 extraordinary circumstances, such as natural disasters, that may result  
15 in power generation greater than consumption for the period.

16 (j) The qualified PPA or Sale Lease-back Agreement  
17 provider(s) *shall* work with GDOE ~~the Schools~~ Institutions concerning  
18 any existing school roofing warranties to ensure said warranties are not  
19 voided with the installation and operation of the solar energy systems.

20 (k) The qualified PPA or Sale Lease-back Agreement  
21 provider(s) *shall* perform repairs to any portion of the roof damaged  
22 during the installation and operation of the solar energy systems, and  
23 *shall* maintain those repairs for the duration of the warranty or the  
24 contract, whichever is the shortest.

25 (l) Every year, on the anniversary date of the commissioning  
26 of the solar energy system, the qualified PPA or Sale Lease-back  
27 Agreement provider(s) *shall* report to the GDOE Institutions on the

1 production for the previous year comparing rates charged by the  
2 qualified provider against rates being charged by the utility detailing  
3 the savings for the previous year. ~~GDOE~~ The Schools Institutions *shall*  
4 transmit a copy of this report to the Speaker of *I Liheslaturan Guåhan*.

5 (m) The qualified PPA or Sale Lease-back Agreement  
6 provider(s) *shall not* extinguish its obligations under the agreement by  
7 assigning it to another company that has met the requirements set forth  
8 in this Section without the approval of the respective school's  
9 governing body: Guam Board of Education, the Guam Academy  
10 Charter School Council, the Guam Community College Board of  
11 Trustees and the University of Guam Board of Regents which will *not*  
12 be unreasonably withheld.

13 (n) As described in ~~Upon the expiration of the~~ PPA or Sale  
14 Lease-back Agreement, ~~GDOE~~ the Institutions may have the option to  
15 purchase the solar energy system at an agreed upon Fair Market Value  
16 (FMV). FMV will be determined collaboratively by the PPA  
17 provider(s), GDOE, and a third party Subject Matter Expert (SME).  
18 GDOE also reserves the right to purchase the system at any time after  
19 the 7<sup>th</sup> year of the PPA at a determined FMV, and recognizes that a  
20 qualified PPA provider(s) would face negative impact tax implications  
21 if bought out prior to the stated timeframe.

22 (o) The agreement *shall* include a provision which will  
23 impose a monetary fine per day for each day beyond the agreed date  
24 that the qualified provider(s) promises to implement the solar energy  
25 system. The provisions in this Section *shall not* apply in the case of  
26 force majeure to the extent of delays caused by such force majeure. The  
27 provisions of the Subsection cannot be waived. Said monetary fines

1 shall be deposited into ~~Y Kuantan Salappe' Prinsepat~~ the following  
2 funds respective to the School: the GDOE Energy Efficient Fund, the  
3 Guam Academy Charter Schools Council Energy Efficient Fund, the  
4 Guam Community College Energy Efficient Fund; and the University  
5 of Guam Energy Efficient Fund, and shall be used for the schools where  
6 the implementation of the solar energy system or any other renewable  
7 energy sources is delayed.

8 (p) Qualified PPA or Sale Lease-back Agreement provider(s)  
9 may be allowed to locate and or co-located the solar energy system on  
10 private or government property at another site for the purposes of  
11 achieving renewable energy power generation to satisfy the power  
12 consumption under this Section. GPA, who has also recognized the  
13 benefit of "off-site" power generation, will recognize an offsite net  
14 metering for a qualified PPA providers, as long as the qualified PPA  
15 provider of solar energy system is in compliance with the current cap  
16 set forth for residential and commercial net metering, 25KW and  
17 100KW per meter respectively. The following conditions must be met:

18 (1) If the qualified PPA or Sale Lease-back Agreement  
19 provider(s), doing its due diligence, identifies that the  
20 rooftop of any ~~GDOE~~ Institution owned schools, ~~GDOE~~  
21 administrative, and ~~GDOE~~ ancillary buildings and for  
22 schools occupied under a lease agreement may *not* be  
23 financially feasible due to the age or quality of the  
24 building's rooftop.

25 (2) In the event that the utility grid is unable to receive  
26 the renewable energy source for the ~~GDOE~~ school, ~~GDOE~~  
27 administrative, and ~~GDOE~~ ancillary buildings, and for

1 schools occupied under a lease agreement, being  
2 interconnected with GPA's utility grid.

3 (3) In the event that there is *no* room to install the  
4 photovoltaic solar energy system due to limited access of  
5 rooftops and real property of all ~~GDOE~~ Institution owned  
6 schools, ~~GDOE~~ administrative, and ~~GDOE~~ ancillary  
7 buildings, and for ~~schools~~ Institutions occupied under a  
8 lease agreement.

9 (4) The qualified PPA or Sale Lease-back Agreement  
10 provider(s) *shall* apply for a meter, at their own expense,  
11 to record the flow of power into the existing grid.

12 (5) If co-located, that each individual system be  
13 metered for each specific qualified PPA or Sale Lease-  
14 back Agreement provider(s).

15 (6) The location of the off-site power generation has  
16 met all other building code and requirements.

17 (7) The qualified PPA or Sale Lease-back Agreement  
18 provider(s) has submitted proof of land ownership and/or  
19 legal lease of land used for the purposes of solar power  
20 generation.

21 (8) The qualified PPA or Sale Lease-back Agreement  
22 provider(s) will provide an interconnection study that  
23 validates the ability of a photovoltaic system prior to  
24 construction; if that photovoltaic system(s) is expected to  
25 exceed 100KW du to co-location.

26 (9) An interconnection study that dictates an  
27 improvement or an upgrade is required in order for a

1 customer generator's power to be accepted by GPA at grid  
2 connection will the responsibility of the qualified PPA or  
3 Sale Lease-back Agreement provider(s).

4 (q) Throughout the qualified PPA or Sale Lease-back  
5 Agreement provider's management duration of any solar energy  
6 system procured and installed under this Act, the qualified PPA or Sale  
7 Lease-back Agreement provider *shall*, at *no* cost in excess of the  
8 management agreement, remove and reinstall any such solar energy  
9 system at the request of the ~~Superintendent of Education~~ Institution's  
10 Director, Superintendent or President, if the facility that such system is  
11 installed upon undergoes renovation or demolition that may affect the  
12 usefulness of the solar energy system.

13 ~~(r) — Each participating school will have access to fifty percent~~  
14 ~~(50%) of the energy savings yielded from the PPA and GDOE the~~  
15 ~~Schools for the respective schools. The savings shall be transferred~~  
16 ~~from the utility pool and deposited in the Y Kuantan Salappe' Prinsepat~~  
17 ~~Fund for each respective school from the energy savings produced from~~  
18 ~~the lower cost of energy provided by PPA. The funds will be available~~  
19 ~~within thirty (30) days from the close of each quarter.~~

20 (sr) Each participating school Institution will have access to  
21 the remaining ~~fifty percent (50%)~~ One Hundred percent (100%) of the  
22 energy savings yielded form the PPA or Sale Lease-back Agreement  
23 for the respective schools. The savings *shall* be transferred to the  
24 Maintenance Division for the maintenance, and repair, and/or any  
25 Capital Improvement Projects of respective Institutions of all GDOE  
26 schools from the utility pool and deposited into the Energy Efficient  
27 Fund for each respective school from the energy savings produced from

1 the lower cost of energy provided by PPA or Sale Lease-back  
2 Agreement. The funds can be leveraged as a source of payment for  
3 GDOE to utilize any financing mechanism such as bonds or any federal  
4 loan program to raise funds for the facilities maintenance or  
5 construction of services. ~~will be available within thirty (30) days from~~  
6 ~~the close of each quarter.~~

7 (s) ~~GDOE~~ The Institutions will have access to the annual  
8 utility appropriation set forth in its ~~GDOE~~ budget for Power Purchase  
9 Payment commitments or Sale Lease-back Agreement to its Qualified  
10 Power Purchase Agreement or Sale Lease-back Agreement provider(s).  
11 In addition, ~~GDOE~~ the Institutions will still be obligated from its utility  
12 appropriation to pay for the utility from Guam Power Authority which  
13 is *not* part of the Power Purchase Agreement.

14 **Section 3.** § 5008.2 of Part A of Article 1, Chapter 5 of Title 5, Guam Code  
15 Annotated, is hereby *amended* to read as follows:

16 **“§ 5008.2. Policy in Favor of Renewable Energy Purchase of**  
17 **Service.**

18 (a) In procuring services as cited in §7120 of Title 17, Guam  
19 Code Annotated, ~~GSA-GDOE~~ the Institutions *shall*, subject to the  
20 provisions of Title 5, and is exempted from Sections 5004, 5006 and  
21 5150 of Chapter 5, Title 5, Guam Code Annotated, grant a preference  
22 to a local business.

23 (b) In addition, five percent (5%) preference for contracts  
24 under Five Hundred Thousand dollars (\$500,000) shall be given to a  
25 local business that meets the following criteria:

26 (1) the qualified PPA or Sale Lease-back  
27 Agreement provider(s) must be doing business on Guam with a

1 valid business license ~~and~~ with a local track record of at least five  
2 (5) years in doing business as a solar energy provider on Guam,  
3 and is in good standing with the Department of Revenue and  
4 Taxation prior to the award of the contract; and

5 (2) the qualified PPA or Sale Lease-back Agreement  
6 provider(s) *shall* be experienced in designing, implementing and  
7 installing solar energy systems, have a record of established  
8 projects, demonstrate technical, operational, financial and  
9 managerial capabilities to design and operate the solar energy  
10 system.”

11 **Section 4. Effective Date.** This Act *shall* be effective upon enactment.

***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2019 (FIRST) Regular Session**

**Bill No. 219-35 (COR)**

As Amended by the Committee  
on General Government Operations,  
Appropriations and Housing.

Introduced by:

Joe S. San Agustin  
Tina Rose Muña Barnes  
William M. Castro  
Clynton E. Ridgell

**AN ACT TO *AMEND* § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO *AMEND* § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that the use of solar energy on Guam is both economical and beneficial to the island and the Pacific community.

*I Liheslaturan Guåhan* further finds that the Guam Consolidated Commission on Utilities is working on building solar energy capacity but that there is a need for over three thousand (3,000) acres of land and capital of over One Billion Dollars (\$1,000,000,000) to achieve this.

1 Therefore, it is the intent of *I Liheslaturan Guåhan* to move Guam toward  
2 cleaner energy production by utilizing the rooftops of Guam's educational facilities  
3 at the Guam Department of Education, the Guam Academy Charter Schools, the  
4 Guam Community College, and the University of Guam, and their ancillary  
5 buildings, as properties eligible for the installation of solar panels to aid in attaining  
6 a lower cost for cleaner electricity production and usage, and to provide strengthened  
7 legislation to purchase or lease-back renewable energy.

8 **Section 2.** § 7116 of Chapter 7, Division 2, Title 17, Guam Code Annotated,  
9 is hereby *amended* to read:

10 **“§ 7116. Power Purchase or Sale Lease-back Agreement to Purchase**  
11 **Solar Energy.**

12 (a) The Guam Department of Education (GDOE), the Guam  
13 Academy Charter Schools, the Guam Community College, and the University  
14 of Guam (hereafter “Institution(s)”), may enter into one (1) or more Power  
15 Purchase Agreements (PPA) or sale lease-back agreements to purchase solar  
16 energy from qualified provider(s) which will be in the best financial interests  
17 of the government of Guam for a period of up to and not exceeding twenty-  
18 five (25) years and not to exceed forty (40) years. Such qualified PPA or sale  
19 lease-back provider(s) shall be selected by a Multi-Step Bid conducted by  
20 GDOE the respective Institutions, in accordance with the procurement law  
21 and regulations of the government of Guam. The qualified PPA provider(s) or  
22 sale lease-back will be responsible for providing the PPA or sale lease-back  
23 agreement to cover *no more than* eighty percent (80%) of the ~~school's~~  
24 Institution's power needs, as calculated for the immediately preceding twelve  
25 thirty six (1236)-month period from the date of the execution of the PPA or  
26 sale lease-back agreement, for all GDOE-owned schools Institutions, and  
27 GDOE administrative, and ancillary buildings. For schools Institutions

1 occupied under a lease agreement as of the enactment of this Section, ~~GDOE~~  
2 an Institution may amend its lease agreements or otherwise directly enter into  
3 a PPA or sale lease-back agreement with a lessor for the purchase of solar  
4 power produced with renewable energy directly from the lessor and without  
5 application of the procurement law, including 5 GCA §§ 5004, 5006, and  
6 5150. Such lease amendments or PPA shall not have a term in excess of  
7 twenty-five (25) years and shall be for no more than eighty percent (80%) of  
8 annual power needs of the leased Institutions based on the ~~twelve-thirty six~~  
9 (1236)-month period immediately preceding the execution of the lease  
10 amendment or PPA. ~~GDOE~~ The Institutions ~~is~~ are encouraged to participate  
11 in energy efficiency programs available through the Guam Power Authority,  
12 and shall make every effort to secure federal funding opportunities to augment  
13 any local appropriations authorized for Power Purchase Agreements.

14 (b) The qualified PPA or sale lease-back agreement provider(s) *shall*  
15 be considered responsive if accepted proposals have been deemed technically  
16 acceptable and provide the best value to ~~GDOE~~ the Institutions and the  
17 government of Guam.

18 (c) The qualified PPA or sale lease-back agreement providers may  
19 submit a single proposal without limitations or discrimination on all proposals  
20 made in good faith. A qualified PPA or sale lease-back agreement provider(s)  
21 will be allowed to submit a single proposal for one (1) ~~GDOE~~ Institution  
22 facility or multiple ~~GDOE~~ Institution facilities in good faith.

23 (d) ~~The Guam Power Authority, under the direction of GDOE, shall~~  
24 ~~provide bid specifications for the implementation of this Section, and shall~~  
25 ~~provide technical assistance during the bid selection process as overseen by~~  
26 ~~GDOE. GDOE shall seek technical consultation from the Guam Power~~  
27 ~~Authority in implementing this Section, and the Guam Power Authority shall~~

1 ~~provide the technical consultation upon request at no cost to GDOE for the~~  
2 ~~life of the contract. Upon GDOE's request, GPA shall provide a cost benefit~~  
3 ~~analysis of a PPA to GDOE and to I Liheslaturan Guahan within ninety (90)~~  
4 ~~days of said request. GDOE may further seek technical consultation from the~~  
5 ~~Guam Energy Office, the Department of Public Works, the Guam Renewable~~  
6 ~~Energy Association, and/or third party renewable energy consultant in~~  
7 ~~implementing this Section, and the consultation shall be at no cost to GDOE.~~  
8 ~~Any costs associated with a third party consultant will be passed through in~~  
9 ~~total to the qualified PPA provider(s) equally and in full who is awarded the~~  
10 ~~Multi-Step Bid. The Institutions may seek technical consultation from the~~  
11 ~~Guam Power Authority in implementing this Section, and the Guam Power~~  
12 ~~Authority shall provide the technical consultation upon request at no cost. The~~  
13 ~~Institutions may further seek technical consultation from the Guam Energy~~  
14 ~~Office, the Department of Public Works, and/or a third party renewable~~  
15 ~~energy consultant in implementing this Section, and the consultation shall be~~  
16 ~~at no cost to the Institutions; and any costs associated with a third party~~  
17 ~~consultant will be passed through in total to the qualified PPA or sale lease-~~  
18 ~~back agreement provider(s) equally and in full who is awarded the Multi-Step~~  
19 ~~Bid.~~

20 (e) In concert with ~~GDOE~~ the Institutions, the selected PPA or sale  
21 lease-back agreement provider(s) *shall* review historical power needs, such as  
22 the past twelve (12) months of power consumption, of the selected ~~schools~~  
23 Institutions, and provide the maximum sized photovoltaic system safely  
24 allowed by roof size, building orientation and location, and other physical  
25 conditions which may affect the safe and effective size of the photovoltaic  
26 system. In no case shall the system be sized to produce power in excess of the  
27 needs of the specific building or campus as recorded during the previous

1 twelve (12) months, exclusive of extraordinary circumstances, such as natural  
2 disasters, that may result in power generation greater than consumption for  
3 the period.

4 (f) The qualified PPA or sale lease-back agreement provider(s) *shall*  
5 pay for the design, financing permitting, insurance, installation, monitoring  
6 and maintenance of the system, and *shall* own and operate the system located  
7 on ~~GDOE's~~ the Institution's facility for the life of the contract at no cost to  
8 ~~GDOE~~ the Institutions or the government of Guam.

9 (g) The qualified PPA or sale lease-back agreement provider(s) must  
10 possess a valid Guam business license for at least five (5) years prior to the  
11 awarding of the contract.

12 (h) The qualified PPA or sale lease-back agreement provider(s) *shall*  
13 be experienced in designing, implementing and installing solar energy  
14 systems, and have a record of established projects, demonstrate technical,  
15 operational, financial and managerial capabilities to design and operate a solar  
16 energy system.

17 (i) The qualified PPA or sale lease-back agreement provider(s) *shall*  
18 warrant that the solar energy paid by ~~GDOE~~ the Institutions will *not exceed*  
19 eighty percent (80%) of Guam Power Authority's current billing charges to  
20 ~~GDOE~~ the respective Institutions, schools ~~GDOE~~ administrative, and ~~GDOE~~  
21 ancillary buildings, as determined by the most recent utility invoices for that  
22 selected building, school or campus. Escalation of rates for years two (2)  
23 through twenty-five (25) *shall* be determined and set in advance, and if it is a  
24 sale lease-back agreement there will be no escalation rates applicable to this  
25 type of sale lease-back agreement. At no time shall the qualified PPA or sale  
26 lease-back agreement provider(s) produce power in excess of the needs of the  
27 designated school/campus, based upon annual consumption of the designated

1 school/campus, exclusive of extraordinary circumstances, such as natural  
2 disasters, that may result in power generation greater than consumption for  
3 the period.

4 (j) The qualified PPA or sale lease-back agreement provider(s) *shall*  
5 work with ~~GDOE~~ the Institutions concerning any existing ~~school~~ Institution's  
6 roofing warranties to ensure said warranties are not voided with the  
7 installation and operation of the solar energy systems.

8 (k) The qualified PPA or sale lease-back agreement provider(s) *shall*  
9 perform repairs to any portion of the roof damaged during the installation and  
10 operation of the solar energy systems and *shall* maintain those repairs for the  
11 duration of the warranty or the contract, whichever is the shortest.

12 (l) Every year, on the anniversary date of the commissioning of the  
13 solar energy system, the qualified PPA or sale lease-back agreement  
14 provider(s) *shall* report to the ~~GDOE~~ Institutions on the production for the  
15 previous year comparing rates charged by the qualified provider against rates  
16 being charged by the utility detailing the savings for the previous year. ~~GDOE~~  
17 The Institutions *shall* transmit a copy of this report to the Speaker of *I*  
18 *Liheslaturan Guåhan*.

19 (m) The qualified PPA or sale lease-back agreement provider(s) *shall*  
20 *not* extinguish its obligations under the agreement by assigning it to another  
21 company that has met the requirements set forth in this Section without the  
22 approval of the respective Institutions' governing body: the Guam Education  
23 Board, the Guam Academy Charter Schools Council, the Guam Community  
24 College Board of Trustees, and the University of Guam Board of Regents,  
25 which will not be unreasonably withheld.

26 (n) As described in ~~Upon the expiration of the~~ PPA or sale lease-  
27 back agreement, ~~GDOE~~ the Institutions may have the option to purchase the

1 solar energy system at an agreed upon Fair Market Value (FMV). FMV will  
2 be determined collaboratively by the PPA provider(s), ~~GDOE~~the Institution,  
3 and a third party Subject Matter Expert (SME). ~~GDOE~~The Institution also  
4 reserves the right to purchase the system at any time after the seventh (7<sup>th</sup>)  
5 year of the PPA at a determined FMV, and recognizes that a qualified PPA  
6 provider(s) would face negative impact tax implications if bought out prior to  
7 the stated timeframe.

8 (o) The agreement *shall* include a provision which will impose a  
9 monetary fine per day for each day beyond the agreed date that the qualified  
10 provider(s) promises to implement the solar energy system. The provisions in  
11 this Section *shall not* apply in the case of force majeure to the extent of delays  
12 caused by such force majeure. The provisions of the Subsection cannot be  
13 waived. Said monetary fines *shall* be deposited in ~~*Y-Kuentan-Salappe'*~~  
14 ~~*Prinsepat Fund*~~ the following Funds respective to the Institution: the GDOE  
15 Energy Efficient Fund, the Guam Academy Charter Schools Council Energy  
16 Efficient Fund, the Guam Community College Energy Efficient Fund; and the  
17 University of Guam Energy Efficient Fund, and *shall* be used for the  
18 Institution where the implementation of the solar energy system or any other  
19 renewable energy sources is delayed.

20 (p) Qualified PPA or sale lease-back agreement provider(s) may be  
21 allowed to locate and/or co-locate the solar energy system on private or  
22 government property at another site for the purposes of achieving renewable  
23 energy power generation to satisfy the power consumption under this Section.  
24 GPA, who has also recognized the benefit of “off-site” power generation, will  
25 recognize an offsite net metering for a qualified PPA or sale lease-back  
26 agreement providers, as long as the qualified PPA or sale lease-back  
27 agreement provider of solar energy system is in compliance with the current

cap set forth for residential and commercial net metering, 25KW and 100KW per meter respectively. The following conditions must be met:

(1) If the qualified PPA or sale lease-back agreement provider(s), doing its due diligence, identifies that the rooftop of any ~~GDOE~~ Institution owned schools, ~~GDOE~~ administrative, and ~~GDOE~~ ancillary buildings, and for ~~schools~~ Institutions occupied under a lease agreement may not be financially feasible due to the age or quality of the building's rooftop.

(2) In the event that the utility grid is unable to receive the renewable energy source for the respective ~~GDOE~~ school, ~~GDOE~~ administrative, and ~~GDOE~~ ancillary buildings, and for schools occupied under a lease agreement, being interconnected with GPA's utility grid.

(3) In the event that there is no room to install the photovoltaic solar energy system due to limited access of rooftops and real property of all ~~GDOE~~ Institution owned schools, ~~GDOE~~ administrative, and ~~GDOE~~ ancillary buildings, and for ~~schools~~ Institutions occupied under a lease agreement.

(4) The qualified PPA or sale lease-back agreement provider(s) *shall* apply for a meter, at their own expense, to record the flow of power into the existing grid.

(5) If co-located, that each individual system be metered for each specific qualified PPA or sale lease-back agreement provider(s).

(6) The location of the off-site power generation has met all other building code and requirements.

1           (7) The qualified PPA or sale lease-back agreement  
2 provider(s) has submitted proof of land ownership and/or legal lease of  
3 land used for the purposes of solar power generation.

4           (8) The qualified PPA or sale lease-back agreement  
5 provider(s) will provide an interconnection study that validates the  
6 ability of a photovoltaic system prior to construction, if that  
7 photovoltaic system(s) is expected to exceed 100KW due to co-  
8 location.

9           (9) An interconnection study that dictates an improvement or  
10 an upgrade is required for a customer generator's power to be accepted  
11 by GPA at grid connection will be the responsibility of the qualified  
12 PPA or sale lease-back agreement provider(s).

13          (q) Throughout the qualified PPA or sale lease-back agreement  
14 provider's management duration of any solar energy system procured and  
15 installed under this Section, the qualified PPA or sale lease-back agreement  
16 provider *shall*, at *no* cost in excess of the management agreement, remove and  
17 reinstall any such solar energy system at the request of the ~~Superintendent of~~  
18 ~~Education~~ Institution's Director, Superintendent, President, or similarly  
19 designated head, if the facility that such system is installed upon undergoes  
20 renovation or demolition that may affect the usefulness of the solar energy  
21 system.

22          ~~(r) — Each participating school will have access to fifty percent (50%)~~  
23 ~~of the energy savings yielded from the PPA and GDOE the Schools for the~~  
24 ~~respective schools. The savings shall be transferred from the utility pool and~~  
25 ~~deposited in the 'Y Kuantan Salappe' Prinsepat Fund for each respective~~  
26 ~~school from the energy savings produced from the lower cost of energy~~

1 provided by PPA. ~~The funds will be available within thirty (30) days from~~  
2 ~~the close of each quarter.~~

3 (sr) Each participating ~~school~~ Institution will have access to ~~the~~  
4 ~~remaining fifty percent (50%)~~ one hundred percent (100%) of the energy  
5 savings yielded from the PPA or sale lease-back agreement for the respective  
6 ~~schools~~Institution. The savings *shall* be transferred to the Institution's  
7 maintenance division for the maintenance, ~~and repair, and/or any capital~~  
8 improvement projects of respective Institutions ~~of all GDOE schools~~ from the  
9 utility pool and deposited in the Energy Efficient Fund for each respective  
10 ~~school~~Institution from the energy savings produced from the lower cost of  
11 energy provided by the PPA or sale lease-back agreement. The funds can be  
12 leveraged as a source of payment for GDOE ~~the Institution to utilize any~~  
13 financing mechanism such as bonds or any federal loan program to raise funds  
14 for the Institution's facilities maintenance or construction of services. ~~The~~  
15 ~~funds will be available within thirty (30) days from the close of each quarter.~~

16 (ts) ~~GDOE~~ The Institutions will have access to the annual utility  
17 appropriation set forth in its ~~GDOE~~ budget for Power Purchase Payment  
18 commitments or sale lease-back agreement to its qualified Power Purchase  
19 Agreement or sale lease-back agreement provider(s). In addition, ~~GDOE~~ the  
20 Institutions will still be obligated from its utility appropriation to pay for the  
21 utility from Guam Power Authority which is *not* part of the Power Purchase  
22 Agreement.

23 (t) Pursuant to its authority under 17 GCA § 7116, the ~~Guam~~  
24 ~~Department of Education~~ the Institutions shall submit a report on the status of  
25 its progress to enter into power purchase agreements to the Speaker of I  
26 Liheslatura within thirty (30) days of enactment of this Act."

1       **Section 3.** § 5008.2 of Subarticle A, Article 1, Chapter 5, Title 5, Guam  
2 Code Annotated, is hereby *amended* to read as follows:

3       **“§ 5008.2. Policy in Favor of Renewable Energy Purchase of Service.**

4           (a) In procuring services pursuant to 17 GCA § 7116, ~~GDOE~~ the  
5 Institutions *shall*, subject to the provisions of this Chapter, grant a preference  
6 to a local business, and are exempt from 5 GCA §§ 5004, 5006 and 5150;

7           (b) In addition, five percent (5%) preference of the lowest Multi-  
8 Step Bidder for contracts under Five Hundred Thousand dollars (\$500,000 ;  
9 or three percent (3)%) preference of the lowest Multi-Step Bidder for  
10 contracts of Five Hundred Thousand Dollars (\$500,000) or more, *shall* be  
11 given to a local business that meets the following criteria:

12               (1) the qualified PPA or sale lease-back agreement provider(s)  
13 must be doing business on Guam with a valid business license, ~~and~~ have  
14 a local track record of at least five (5) years of doing business as a solar  
15 energy provider on Guam, and be in good standing with the Department  
16 of Revenue and Taxation prior to the award of the contract; and

17               (2) the qualified PPA or sale lease-back agreement provider(s)  
18 *shall* be experienced in designing, implementing and installing solar  
19 energy systems, have a record of established projects, demonstrate  
20 technical, operational, financial and managerial capabilities to design  
21 and operate the solar energy system.”

22       **Section 4. Effective Date.** This Act *shall* be effective upon enactment.

Senator Régine Biscoe Lee,  
Chair

Senator Amanda L. Shelton,  
Vice Chair

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telen Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), PhD,  
Member

Senator Sabina Flores Perez,  
Member



**COMMITTEE ON RULES**  
*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
**35<sup>TH</sup> GUAM LEGISLATURE**

February 13, 2020

Senator Clynton E. Ridgell,  
Member

Senator Joe S. San Agustin,  
Member

Senator Jose "Pedro" Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and Chair, Subcommittee on Protocol

# MEMO

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

**From:** Senator Régine Biscoe Lee  
Chair, Committee on Rules

**Re:** Fiscal Notes

---

*Buenas yan Håfa adai.*

Attached, please find the fiscal notes for the following bills:

**Bill No. 219-35 (COR)**

**Bill No. 273-35 (COR)**

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

For 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. 219-35 (COR)**

**AN ACT TO AMEND § 7120 OF CHAPTER 7, DIVISION 2, TITLE 17 OF THE GUAM CODE ANNOTATED (GCA); TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8, TITLE 12 GCA; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5, TITLE 5 GCA, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE GUAM DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Department of Education	Dept./Agency Head: Jon Fernandez, Superintendent
Department's General Fund (GF) appropriation(s) to date:	\$190,233,113
Department's Other Fund appropriation(s) to date: Healthy Futures Fund, Limited Gaming Fund, Public School Library Resources Fund, School Lunch/Child Nutritional Meals Reimbursement Fund, and Territorial Educational Facilities Fund	\$29,621,124
Total Department/Agency Appropriation(s) to date:	\$219,854,237
Dept./Agency Affected: University of Guam	Dept./Agency Head: Thomas W. Krise, President
Department's General Fund (GF) appropriation(s) to date:	\$31,656,845
Department's Other Fund appropriation(s) to date: Tourist Attraction Fund, Territorial Educational Facilities Fund, and Healthy Futures Fund	\$2,074,056
Total Department/Agency Appropriation(s) to date:	\$33,730,901
Dept./Agency Affected: Guam Community College	Dept./Agency Head: Mary A. Okada, President
Department's General Fund (GF) appropriation(s) to date:	\$18,096,099
Department's Other Fund appropriation(s) to date: Manpower Development Fund and Territorial Educational Facilities Fund	\$1,525,500
Total Department/Agency Appropriation(s) to date:	\$19,621,599

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2019 Unreserved Fund Balance	\$0	\$0	\$0
FY 2020 Adopted Revenues	\$0	\$0	\$0
FY 2020 Appro. (P.L. 35-36)	\$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 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions?  
If Yes, see attachment / / Yes /X/ No
- Is amount appropriated adequate to fund the intent of the appropriation?  
If no, what is the additional amount required? \$ /X/ N/A / / Yes / / No
- Does the Bill establish a new program/agency?  
If yes, will the program duplicate existing programs/agencies? / / Yes /X/ 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: /X/ Yes / / No  
/ / Requested agency comments not received by due date / / Other:

Analyst: Joaquin Guerrero, BMA III Date: 2/11/20 Director: Lester L. Carlson, Jr., Director Da **FEB 13 2020**

Notes:  
1/ See attached comments.

**Bureau of Budget and Management Research**  
**Comments on Bill No. 219-35 (COR)**

The proposed legislation seeks to strengthen the purchase or lease-back of renewable energy purchase of service for the Guam Department of Education (GDOE), Guam Academy Charter Schools, the Guam Community College (GCC), and the University of Guam (UOG).

It should be noted that a request for comments and/or testimony was made to the GDOE, though no response was provided to date. However, per local media sources, the GDOE estimates it can save \$4 million to \$5 million per year in utility costs by using solar energy in schools, as current power utility costs range around \$12 million per year.

In comments provided by the GCC, it is noted that since the escalation rates for years 2 through 25 would be determined and set in advance, there is a possibility that the contractual agreement will present higher energy rates over time, or when the conventional energy rates go down. Qualified Power Purchase Agreement (PPA) and Sale Lease-back providers will be the sole beneficiary of all tax incentives, rebates, and other renewable energy incentives. These incentives can be incorporated into the pricing that is provided for the leasing agreement. The GCC has incorporated LEED into many of the renovation/new construction projects for the campus. Should the GCC only lease photovoltaic systems, the LEED points associated with the integration of renewable energy systems may affect the LEED certification points in this area. Though it is unknown at this time how it will be affected. The initial cost of investment through a lease-back of renewable energy partnerships allows for opportunities to expand to other facilities on campus, resulting in potential energy savings.

The UOG states that an actual cost savings will depend on the details within the contractual agreement. The University supports the overall effort to increase Guam's use of renewable energy and to reduce our island's dependence on fossil fuels, as solar energy is a truly renewable energy source and one that our island has in abundance. In terms of financial impacts from the Bill, the UOG anticipates a moderate savings over time. The savings will depend on how the contract agreement is affected. The University will need to weigh the cost benefit of pursuing a PPA or Sale Lease-back Agreement versus purchasing the system direct over time per facility or groups of facilities. This will include an assessment for new construction or major renovations to facilities which may most likely be incorporated into the request for proposal as the UOG intends on pursuing LEED certification facilities in accordance with its physical master plan.

It should be noted that the aforementioned entities did not provide an estimated cost of investment to fully outfit their facilities with renewable energy equipment. As such, the Bureau is unable to determine whether the Government of Guam will realize any immediate cost savings through reduced power consumption coupled with the sale lease-back payment to utilize such renewable energy equipment. Furthermore, an estimated time frame cannot be determined as to when the Government of Guam will be able to realize its return on investment.

---

OFFICE OF FINANCE AND BUDGET  
Committee on General Government Operations,  
Appropriations and Housing  
Tel: (671) 989-5445 / Fax: (671) 969-6737  
Email: [senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)

---



---

*I Mina'trentai Singko Na Leheslaturan Guahan*  
THE 35<sup>TH</sup> GUAM LEGISLATURE  
Ran Care Bldg. Suite 5, 2<sup>nd</sup> Floor,  
721 . Marine Corps. Dr., Tamuning Guam 96913

---

January 8, 2020

MEMORANDUM

To: Senator Joe S. San Agustin  
*Chairman, Committee on General Government Operations, Appropriations and Housing*

From: Stephen J. Guerrero  
*Director, Office of Finance and Budget*

Re: Funding Availability Note: Bill No. 219-35 (COR)

---

Hafa Adai Senator San Agustin!

Pursuant to the Standing Rules of the 35th Guam Legislature, the Committee on Appropriations and/or the Office of Finance and Budget (OFB) shall determine in writing if the funding source cited in Appropriation or Authorization for Appropriations bills are sufficient.

The Office has received Bill No. 219-35 (COR), AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE UNIVERSITY OF GUAM.

Bill No. 219-35 (COR) permits the Guam Department of Education (GDOE), Guam Academy Charter Schools, Guam Community College, and University of Guam to enter into one or more power purchase or Sale Lease-back agreements to purchase solar energy from qualified provider(s) which will be in the best financial interests of the government of Guam for a period up to twenty-five (25) years and not to exceed forty (40) years. The qualified PPA provider(s) or Sale Lease-back will be responsible for providing PPA or Sale Lease-back Agreement to cover no more than eighty percent (80%) of the Department's power needs as calculated for the immediately preceding twelve-month period from the date of the execution of the PPA or Sale Lease-back Agreement for all owned Intuitions, administrative, and ancillary buildings.

Fiscal Note cost saving analysis will be focused on the Guam Department of Education (GDOE) as it is the largest agency represented in the proposed bill. Based on information from GDOE, they estimate a 25 Year Savings to be \$263,664,025 and 40 Years Saving at \$421,862,440 with the PPA or Sale Lease-back at 80% of GDOE's power needs. According to Guam Power Authority's Utilities Report for GDOE FY 2019, GDOE's power Kwh usage is 43,813,190 or \$13,183,202 in power cost which equates to approximately \$0.30089573 per Kwh. Applying the 80% expense limitation level would reduce FY 2019 power usage to 35,050,552 Kwh ( $43,813,190 \times 80\%$ ) and an annual cost savings of \$2,636,641 ( $\$13,183,202 - \$10,546,561$ ). The long-term cost saving for the first 25 years would be \$263,664,025 ( $\$13,183,202 \times 25$ ) – ( $\$2,636,641 \times 25$ ) and \$421,862,440 ( $\$13,183,202 \times 40$ ) – ( $\$2,636,641 \times 40$ ) for 40 years. Therefore, the cost saving analysis for GDOE does support the intent of Bill 219-35 and will result in significant power cost savings for the department. It is most likely that the other Institutions as identified in the bill would have similar findings on power cost analysis and would support the intent of Bill 219-35 (COR).

Respectfully,



Stephen J. Guerrero

Office of Finance and Budget  
Fiscal Note

Bill No. 219-35 (COR)

Senators: Joe S. San Agustin, Tina Rose Muna  
Sponsor: Barnes, William M. Castro, Clynton E. Ridgell

AN ACT TO AMEND § 7120 OF CHAPTER 7 OF DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; TO AMEND § 8502 OF ARTICLE 5, CHAPTER 8 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF PART A, ARTICLE 1, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE AND THE UNIVERSITY OF GUAM.

Department/Agency/Entity						
Department/Agency/Entity:						
Fiscal Year(s)/Program Period						
General Fund Appropriation(s) (as of :						
Other Fund Source(s) Appropriation(s) (Specify):						
Total Department /Agency Appropriation						\$0

Projected Fiscal Impact of Bill						
	1st Year	2nd Year	3rd year	4th year	5th year	Total
General Fund						\$0
Special Fund						\$0
Other Fund Sources						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- |   |        |              |         |
|---|--------|--------------|---------|
| 1. Is the bill a one time funding request?                                      | // Yes | // No        | /X/ N/A |
| 2. Does the bill indicate a viable funding source for the appropriation?        | // Yes | // No        | /X/ N/A |
| 3. Are there adequate funds in the bill's funding source for the appropriation? | // Yes | // No        | /X/ N/A |
| 4. Is the bill to fund a new program or existing program?                       | // New | /X/ Existing | // N/A  |
| 5. Are federal funds available to fund the bill?                                | // Yes | // No        | /X/ N/A |

Analyst:

Vanessa Valencia

Signature:



Date:

1/8/2020

Director:

Stephen J. Guerrero

Signature:



Date:

1/15/2020

Comments: Bill No. 219-35 (COR) permits the Guam Department of Education (GDOE), Guam Academy Charter Schools, Guam Community College, and University of Guam to enter into one or more power purchase or Sale Lease-back agreements to purchase solar energy from qualified provider(s) which will be in the best financial interests of the government of Guam for a period up to twenty-five (25) years and not to exceed forty (40) years. The qualified PPA provider(s) or Sale Lease-back will be responsible for providing PPA or Sale Lease-back Agreement to cover no more than eighty percent (80%) of the Department's power needs as calculated for the immediately preceding twelve-month period from the date of the execution of the PPA or Sale Lease-back Agreement for all owned Intuitions, administrative, and ancillary buildings.

Fiscal Note cost saving analysis will be focused on the Guam Department of Education (GDOE) as it is the largest agency represented in the proposed bill. Based on information from GDOE, they estimate a 25 Year Savings to be \$263,664,025 and 40 Years Saving at \$421,862,440 with the PPA or Sale Lease-back at 80% of GDOE's power needs. According to Guam Power Authority's Utilities Report for GDOE FY 2019, GDOE's power KWh usage is 43,813,190 or \$13,183,202 in power cost which equates to approximately \$0.30089573 per KWh. Applying the 80% expense limitation level would reduce FY 2019 power usage to 35,050,552 KWh (43,813,190 x 80%) and an annual cost savings of \$2,636,641 (\$13,183,202 - \$10,546,561). The long-term cost saving for the first 25 years would be \$263,664,025 (\$13,183,202 x 25) - (\$2,636,641 x 25) and \$421,862,440 (\$13,183,202 x 40) - (\$2,636,641 x 40) for 40 years. Therefore, the cost saving analysis for GDOE does support the intent of Bill 219-35 and will result in significant power cost savings for the department. It is most likely that the other Institutions as identified in the bill would have similar findings on power cost analysis and would support the intent of Bill 219-35 (COR).




# Office of *SENATOR Joe S. San Agustin*

*I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature*

## COMMITTEE VOTE SHEET

**BILL NO. 219-35 (COR)** – As amended by the Committee on General Government Operations, Appropriations, and Housing. *As Introduced by Senator Joe S. San Agustin, Speaker Tina Rose Muña-Barnes, Senator William M. Castro, and Senator Clynton Ridgell, - "AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM."*

Committee Members	Signature	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
<b>Senator Joe S. San Agustin</b> <i>Chairman</i>		✓				
<b>Senator Amanda L. Shelton</b> <i>Vice Chairperson (Gen Govt Operations, Appr &amp; Housing)</i>						
<b>Speaker Tina Rose Muña Barnes</b> <i>Member</i>	E-vote 11/09/2020	✓				
<b>Senator William M. Castro</b> <i>Member</i>	E-vote 11/09/2020			✓		
<b>Senator Régine Biscoe Lee</b> <i>Member</i>						
<b>Senator Kelly G. Marsh (Taitano), Ph.D.</b> <i>Member.</i>						
<b>Senator James C. Moylan</b> <i>Member</i>	E-vote 11/09/2020			✓		
<b>Senator Louise B. Muna</b> <i>Member</i>						
<b>Senator Clynton E. Ridgell</b> <i>Vice Chairman (Appropriations)</i>	E-vote 11/09/2020	✓				
<b>Senator Jose "Pedro" Terlaje</b> <i>Member</i>	E-vote 11/09/2020	✓				
<b>Senator Therese M. Terlaje</b> <i>Member</i>						

*Committee Chairman: General Government Operations, Appropriations, and Housing*

*Ran - Care Commercial Building, CBU #230, 761 South Marine Corps Dr., Tamuning, Guam 96913*

*Tel: (671) 989-5445 \* Fax: (671) 969-6737 \* email: senatorjoessanagustin@gmail.com*

---

**E-vote Request: on Bill 219-35 (COR) As amended by the COA**

11 messages

**Michaela Celorio** <msacelorio.senatorsa@gmail.com>

Mon, Nov 9, 2020 at 4:46 PM

To: Speaker's Office <speaker@guamlegislature.org>, Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>, Clynt Ridgell <clyntridgell@guamlegislature.org>, Senator William Mendiola Castro <sen.wilcastro@gmail.com>, Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>, "PhD." <office.senatororkelly@guamlegislature.org>, "Senator James C. Moylan" <senatormoylan@guamlegislature.org>, "Senator Louise B. Muna" <senatorlouise@gmail.com>, Senator Pedro Terlaje <senatorpedo@senatorjpterlaje.com>, Senator Therese Terlaje <senatorterlajeguam@gmail.com>

Hafa Adai, Committee Members:

Please see attachment below to access the Committee Report for Bill No. 219-35 (COR) - **"AN ACT TO AMEND § 7116 OF CHAPTER 7, DIVISION 2, TITLE 17, GUAM CODE ANNOTATED; AND TO AMEND § 5008.2 OF SUBARTICLE A, ARTICLE 1, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING THE PURCHASE OR LEASE-BACK OF RENEWABLE ENERGY PURCHASE OF SERVICE FOR THE DEPARTMENT OF EDUCATION, THE GUAM ACADEMY CHARTER SCHOOLS, THE GUAM COMMUNITY COLLEGE, AND THE UNIVERSITY OF GUAM."** As Introduced by Joe S. San Agustin, Tina Rose Muna Barnes, William M. Castro, and Clynton E. Ridgell. **As amended by the Committee on General Government Operations, Appropriations, and Housing.**

Please indicate your preferred action, based on the following options.

- ☐ To Do Pass;
- ☐ To Not Pass;
- ☐ To Report Out Only;
- ☐ To Abstain; or
- ☐ To Place in Inactive File.

Please submit your response **ASAP**. Your response will be logged into the Committee Vote Sheet for Bill No. 219-35 (COR) As Amended by the Committee on General Government Operations, Appropriations, and Housing, which will be filed with the Committee on Rules.

Best,

*Michaela Shaira Asoy Celorio**Research Policy Analyst*

Office of Senator Joe S. San Agustin

I Mina'Trentai Singko Na Lehislaturan Guahan

Chairman, Committee on General Government Operations, Appropriations &amp; Housing

Office of Finance and Budget

761 S. Marine Corps Drive

Ran Care Bldg. Suite B2

Tamuning, Guam 96913

Email: [msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)

Tel: (671) 989-5445

**Committee Report on Bill 219-35 (COR) - As Amended by the Committee.pdf**

5456K

---

**Speaker's Office** <speaker@guamlegislature.org>

Mon, Nov 9, 2020 at 5:04 PM

To: Michaela Celorio &lt;msacelorio.senatorsa@gmail.com&gt;

Cc: Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>, Clynt Ridgell <clyntridgell@guamlegislature.org>, Senator William Mendiola Castro <sen.wilcastro@gmail.com>, Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>, "PhD." <office.senatororkelly@guamlegislature.org>, "Senator James C. Moylan" <senatormoylan@guamlegislature.org>, "Senator Louise B. Muna" <senatorlouise@gmail.com>, Senator Pedro Terlaje <senatorpedo@senatorjpterlaje.com>, Senator Therese Terlaje <senatorterlajeguam@gmail.com>

to do pass



*Sinseru yan Minagâhet,*

**Office of the Speaker • Tina Rose Muña Barnes**

Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature

*I Mina'trentai Singko na Liheslaturan Guahan*

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910

T: (671) 477-2520/1

[speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)

This e-mail message is intended only for the use of the individual or entity named above and may contain confidential and privileged information. If you are not the intended recipient, any disclosure, copying, distribution or use of the information contained in this transmission is strictly PROHIBITED. If you have received this transmission in error, please immediately notify us by replying to [speaker@guamlegislature.org](mailto:speaker@guamlegislature.org) and delete the message immediately. Thank you very much.

Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiatmente para hâgu ma entsionâ pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespâtcha. Yanggen lachi rinisibu-mu nu este na mensâhi, put fabot ago' guatu gi I numa'huyong gi as [speaker@guamlegislature.org](mailto:speaker@guamlegislature.org) yan despues destrosa todû siha I kopian mensâhi. Si Yu'os ma'âse'.

[Quoted text hidden]

---

**Senator William Mendiola Castro** <sen.wilcastro@gmail.com>

Mon, Nov 9, 2020 at 5:07 PM

To: Michaella Celorio <msacelorio.senatorsa@gmail.com>

Hafa adai,

To Report Out Only.

Thank you!

Sent from my iPhone

JM-COS

On Nov 9, 2020, at 4:47 PM, Michaella Celorio <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)> wrote:

[Quoted text hidden]

<Committee Report on Bill 219-35 (COR) - As Amended by the Committee.pdf>

---

**Clynt Ridgell** <clyntridgell@guamlegislature.org>

Mon, Nov 9, 2020 at 5:09 PM

To: Michaella Celorio <msacelorio.senatorsa@gmail.com>

To do pass.

Sincerely,

Clynt Ridgell

On Mon, Nov 9, 2020 at 4:47 PM Michaela Celorio <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)> wrote:

[Quoted text hidden]

---

**Michaela Celorio** <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>  
To: Speaker's Office <[speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)>

Mon, Nov 9, 2020 at 5:17 PM

Hafa Adai, Speaker

Received. Thank you.

Best,  
Mica

[Quoted text hidden]

--

[Quoted text hidden]

---

**Michaela Celorio** <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>  
To: Senator William Mendiola Castro <[sen.wilcastro@gmail.com](mailto:sen.wilcastro@gmail.com)>

Mon, Nov 9, 2020 at 5:17 PM

Hafa Adai, Senator

Received. Thank you.

Best,  
Mica

[Quoted text hidden]

--

[Quoted text hidden]

---

**Michaela Celorio** <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>  
To: Clynt Ridgell <[clyntridgell@guamlegislature.org](mailto:clyntridgell@guamlegislature.org)>

Mon, Nov 9, 2020 at 5:17 PM

Hafa Adai, Senator

Received. Thank you.

Best,  
Mica

[Quoted text hidden]

--

[Quoted text hidden]

---

**Senator Pedo Terlaje** <[senatorpedo@senatorjpterlaje.com](mailto:senatorpedo@senatorjpterlaje.com)>  
To: Speaker's Office <[speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)>

Mon, Nov 9, 2020 at 5:20 PM

Cc: Michaela Celorio <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>, Office of Senator Shelton Guam Legislature <[officeofsenatorshelton@guamlegislature.org](mailto:officeofsenatorshelton@guamlegislature.org)>, Clynt Ridgell <[clyntridgell@guamlegislature.org](mailto:clyntridgell@guamlegislature.org)>, Senator William Mendiola Castro <[sen.wilcastro@gmail.com](mailto:sen.wilcastro@gmail.com)>, Régine Biscoe Lee <[senatorbiscoelee@guamlegislature.org](mailto:senatorbiscoelee@guamlegislature.org)>, "PhD." <[office.senatorkelly@guamlegislature.org](mailto:office.senatorkelly@guamlegislature.org)>, "Senator James C. Moylan" <[senatormoylan@guamlegislature.org](mailto:senatormoylan@guamlegislature.org)>, "Senator Louise B. Muna" <[senatorlouise@gmail.com](mailto:senatorlouise@gmail.com)>, Senator Therese Terlaje <[senatorterlajeguam@gmail.com](mailto:senatorterlajeguam@gmail.com)>

To do pass.

On Mon, Nov 9, 2020 at 5:04 PM Speaker's Office <[speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)> wrote:

[Quoted text hidden]

--

# The Office of Senator Jose "Pedo" Terlaje

Committee on Public Safety, Border Safety,  
Military and Veterans Affairs, Mayors' Council,  
Infrastructure, and Public Transit

35th Guam Legislature

*I Mina'trentai Singko na Liheslaturan Guåhan*

140 Aspinall Avenue Ste. 202 Hagatna, Guam 96910

Tel: (671) 989-5301/ 3218

Email: [senatorpedo@senatorjpterlaje.com](mailto:senatorpedo@senatorjpterlaje.com)

---

**James Moylan** <[senatormoylan@guamlegislature.org](mailto:senatormoylan@guamlegislature.org)>  
To: Michaela Celorio <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>

Mon, Nov 9, 2020 at 5:20 PM

To report out only.

SYM.

[Quoted text hidden]

---

**Michaela Celorio** <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>  
To: Senator Pedo Terlaje <[senatorpedo@senatorjpterlaje.com](mailto:senatorpedo@senatorjpterlaje.com)>

Mon, Nov 9, 2020 at 5:22 PM

Hafa Adai, Senator

Received. Thank you.

Best,  
Mica

[Quoted text hidden]

--

[Quoted text hidden]

---

**Michaela Celorio** <[msacelorio.senatorsa@gmail.com](mailto:msacelorio.senatorsa@gmail.com)>  
To: James Moylan <[senatormoylan@guamlegislature.org](mailto:senatormoylan@guamlegislature.org)>

Mon, Nov 9, 2020 at 5:22 PM

Hafa Adai, Senator

Received. Thank you.

Best,  
Mica

[Quoted text hidden]

--

[Quoted text hidden]