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Office of the Governor of Guam

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Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

2008 APR 10 AM 10: 54

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fr

The Honorable Judith T. Won Pat  
Speaker  
*Mina' Bente Nuebi Na Liheslaturan Guåhan*  
155 Hessler Street  
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 166(EC), "AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY; TO REQUIRE THE GUAM POWER AUTHORITY TO ESTABLISH RENEWABLE PORTFOLIO STANDARD GOALS AND TO REQUEST THE PUBLIC UTILITY COMMISSION TO STUDY THE FEASIBILITY OF IMPLEMENTING A RATE STRUCTURE TO ENCOURAGE THE USE OF RENEWABLE ENERGY BY ADDING NEW §§8311, 8312, 8506 AND 12028, TO TITLE 12, GUAM CODE ANNOTATED" which I signed into law on April 4, 2008 as **Public Law 29-62**.

*Sinseru yan Magåhet,*

**FELIX P. CAMACHO**  
*I Maga'låhen Guåhan*  
Governor of Guam

Attachment: copy of Bill

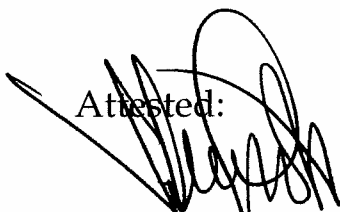
cc: The Honorable Tina Rose Muña Barnes,  
Senator and Legislative Secretary

29-08-0264  
Office of the Speaker  
Judith T. Won Pat, Ed. D.  
Date 5/09/08  
Time 4/2  
Received by [Signature]

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN  
2008 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 166 (EC), "AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY; TO REQUIRE THE GUAM POWER AUTHORITY TO ESTABLISH RENEWABLE PORTFOLIO STANDARD GOALS AND TO REQUEST THE PUBLIC UTILITY COMMISSION TO STUDY THE FEASIBILITY OF IMPLEMENTING A RATE STRUCTURE TO ENCOURAGE THE USE OF RENEWABLE ENERGY BY ADDING NEW §§8311, 8312, 8506, AND 12028, TO TITLE 12, GUAM CODE ANNOTATED," was on the 21<sup>st</sup> day of March, 2008, duly and regularly passed.

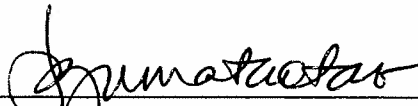
Attested: 

TINA ROSE MUÑA BARNES  
Senator and Secretary of the Legislature



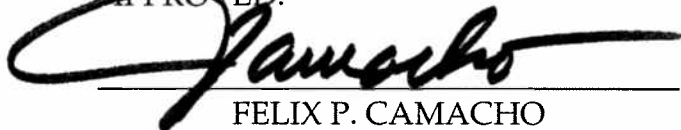
JUDITH T. WON PAT, Ed.D  
Speaker

This Act was received by I Maga'lahaen Guåhan this 25 day of March, 2008, at 10:50 o'clock A.M.



Assistant Staff Officer  
Maga'laha's Office

APPROVED:



FELIX P. CAMACHO  
I Maga'lahaen Guåhan

Date: 4 APRIL 2008

Public Law No. 29-62

***I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN***  
**2007 (FIRST) Regular Session**

**Bill No. 166 (EC)**

As amended by the Author  
and further amended on the Floor.

Introduced by:

v. c. pangelinan  
James V. Espaldon  
B. J.F. Cruz  
Tina Rose Muña Barnes  
Frank F. Blas, Jr.  
Edward J.B. Calvo  
Mark Forbes  
Judith Paulette Guthertz  
Frank T. Ishizaki  
J. A. Lujan  
A. B. Palacios, Sr.  
R. J. Respicio  
David L.G. Shimizu  
Ray Tenorio  
J. T. Won Pat, Ed.D.

**AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY; TO REQUIRE THE GUAM POWER AUTHORITY TO ESTABLISH RENEWABLE PORTFOLIO STANDARD GOALS AND TO REQUEST THE PUBLIC UTILITY COMMISSION TO STUDY THE FEASIBILITY OF IMPLEMENTING A RATE STRUCTURE TO ENCOURAGE THE USE OF RENEWABLE ENERGY BY *ADDING* NEW §§8311, 8312, 8506, AND 12028, TO TITLE 12, GUAM CODE ANNOTATED.**

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

2       **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that the Guam Power Authority (GPA) is totally dependent on oil for the

1 production of electricity for consumers. Such dependence has resulted in rate  
2 increases in the form of increased fuel surcharges. The Levelized Energy  
3 Adjustment Clause, a provision in law, initially set rate adjustments on a monthly  
4 basis. Subsequently, the Guam Power Authority requested to change the cycle to a  
5 calendar year and reviewed every six (6) months. The fact that oil is the *sole*  
6 source of our power production does not give GPA any opportunity to diversify  
7 and hedge cost savings in the fuel component of its cost structure.

8 The diversification of fuel type used for production may help offset costs  
9 and may be achieved by implementing technology which uses renewable energy  
10 resources already found on Guam such as wind, solar, ocean thermal, wave and  
11 biomass resources in new production facilities.

12 It is the intent of *I Liheslatura* to require the development of renewable  
13 energy production and decrease our total reliance on oil for electricity production.

14 **Section 2.** A new §8311 is hereby *added* to Article 3 of Chapter 8 of Title  
15 12, Guam Code Annotated, to read as follows:

16 **“§8311. Renewable Portfolio Standards.** The Guam Power  
17 Authority *shall* establish a preliminary renewables portfolio standard goal of:

- 18 (a) five per cent (5%) of its net electricity sales by December 31,  
19 2015;
- 20 (b) eight per cent (8%) of its net electricity sales by December 31,  
21 2020;
- 22 (c) ten per cent (10%) of its net electricity sales by December 31,  
23 2025;
- 24 (d) fifteen per cent (15%) of its net electricity sales by December  
25 31, 2030; and
- 26 (e) twenty-five percent (25%) of its net electricity sales by  
27 December 31, 2035.

1 The amount of renewable capacity may be subject to engineering and economic  
2 analysis by the Guam Power Authority.”

3 **Section 3.** A new §8312 is hereby *added* to Article 3 of Chapter 8 of Title  
4 12, Guam Code Annotated, to read as follows:

5 “§8312. The Guam Power Authority *shall* undertake all  
6 necessary investments *or* outsourcing agreements, including, automatic  
7 generation control, so as to provide for the maximum feasible ability to add  
8 renewable resources to the Island-wide Power System. The Public Utilities  
9 Commission is directed to deem such renewable resource as prudent costs  
10 for purposes of rate setting to ensure such investments do *not* hinder the  
11 Guam Power Authority’s financial stability to support the capital activities  
12 associated with the intent of this Public Law.”

13 **Section 4. New Construction of Electrical Power Generation Plants.**

14 The Guam Power Authority, whether constructing conventional base load power  
15 capacity on its own *or* through a private entity, *shall* be required to add additional  
16 renewable capacity with each construction of a conventional base load unit. This  
17 additional renewable capacity *shall* be at least ten percent (10%) of the new  
18 conventional capacity, and must be in place *no later than* eighteen (18) months of  
19 the new conventional base load plant commissioning. Additional renewable  
20 capacity may be commissioned prior to the commissioning of conventional base  
21 load units.

22 **Section 5.** A new §12028 is hereby *added* to Article 1 of Chapter 12 of Title  
23 12, Guam Code Annotated, to read as follows:

24 “§12028. **Rate Structure Implementation; Renewable Portfolio**  
25 **Standard Incentives; Report.** The Guam Public Utilities Commission and  
26 the Consolidated Commission on Utilities are the governing bodies for  
27 electric utility rate and policy. The Guam Power Authority *shall* file with

1 the Guam Public Utilities Commission as part of its cost of service study:

2 (a) recommendations for the implementation of a utility rate  
3 structure designed to reward and encourage consumers to use  
4 renewable energy sources found on Guam;

5 (b) the extent that this proposed utility rate structure would  
6 impact Guam Power Authority coverage ratios, and to ensure that  
7 these coverage ratios *do not* decrease for a period of five (5) years  
8 following the implementation of this rate structure;

9 (c) findings and recommendations concerning the types of  
10 incentives offered through the Guam Power Authority that the Public  
11 Utilities Commission could authorize for GPA customers in meeting  
12 the renewable portfolio standards established in Title 12 GCA §8311;  
13 and

14 (d) report findings and recommendations, including  
15 proposed legislation, to *I Liheslatura no later than* one (1) year after  
16 enactment.”

17 **Section 6.** A new §8506 is hereby *added* to Article 5 of Chapter 8 of Title  
18 12, Guam Code Annotated, to read:

19 “**§8506. Interim Metering.** GPA is authorized to immediately  
20 implement an interim, emergency net metering rate structure wherein  
21 Customer generators *shall* be entitled to receive immediate credit for one  
22 hundred percent (100%) of the power generation capacity based on the  
23 specifications of the generation equipment installed times the rate the Guam  
24 Power Authority currently charges the customer until such time that GPA  
25 submits a rate structure to the PUC for the net metering program and it is  
26 approved by the PUC. This interim rate *shall* be subject to PUC revocation  
27 at any time.”

1           **Section 7. Severability.** *If* any of the provisions of this Act or the  
2 application thereof to any person or circumstance is held invalid, such invalidity  
3 shall *not* affect any other provision or application of this Act which can be given  
4 effect without the invalid provision or application, and to this end the provisions of  
5 this Act are severable.