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
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 21st day of March, 2008, duly and regularly passed.

JUDITH T. WON PAT, Ed.D
Speaker

TINA ROSE MUÑA BARNES
Senator and Secretary of the Legislature

This Act was received by I Maga’lahen Guåhan this 21 day of March, 2008, at 10:30 o’clock A.M.

FELIX P. CAMACHO
I Maga’lahen Guåhan
Date: 4 April 2008

Public Law No. 29-62
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.

BE IT ENACTED BY THE PEOPLE OF GUAM:

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

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

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

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

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

(a) five per cent (5%) of its net electricity sales by December 31, 2015;
(b) eight per cent (8%) of its net electricity sales by December 31, 2020;
(c) ten per cent (10%) of its net electricity sales by December 31, 2025;
(d) fifteen per cent (15%) of its net electricity sales by December 31, 2030; and
(e) twenty-five percent (25%) of its net electricity sales by December 31, 2035."
The amount of renewable capacity may be subject to engineering and economic analysis by the Guam Power Authority.”

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

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

Section 4. New Construction of Electrical Power Generation Plants. The Guam Power Authority, whether constructing conventional base load power capacity on its own or through a private entity, shall be required to add additional renewable capacity with each construction of a conventional base load unit. This additional renewable capacity shall be at least ten percent (10%) of the new conventional capacity, and must be in place no later than eighteen (18) months of the new conventional base load plant commissioning. Additional renewable capacity may be commissioned prior to the commissioning of conventional base load units.

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

“§12028. Rate Structure Implementation; Renewable Portfolio Standard Incentives; Report. The Guam Public Utilities Commission and the Consolidated Commission on Utilities are the governing bodies for electric utility rate and policy. The Guam Power Authority shall file with
the Guam Public Utilities Commission as part of its cost of service study:

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

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

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

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

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

“§8506. Interim Metering. GPA is authorized to immediately implement an interim, emergency net metering rate structure wherein Customer generators shall be entitled to receive immediate credit for one hundred percent (100%) of the power generation capacity based on the specifications of the generation equipment installed times the rate the Guam Power Authority currently charges the customer until such time that GPA submits a rate structure to the PUC for the net metering program and it is approved by the PUC. This interim rate shall be subject to PUC revocation at any time.”
Section 7. Severability. If any of the provisions of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.