

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

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
142-37 (COR)	William A. Parkinson	AN ACT TO AMEND § 8502(c)(2)(B) OF ARTICLE 5, CHAPTER 8, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO NET METERING.	6/22/23 11:18 a.m.	6/23/23	Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance	Request: 6/23/23  7/3/23	9/7/23 9:00 a.m.	11/9/23 11:41 a.m.	Additional Testimony 2/19/24  As amended by the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature

February 19, 2024

**To:** **Joaquin P. Taitague**  
Clerk of the Legislature

**Attorney Darleen Hiton**  
Legislative Legal Counsel

**From:** **Senator Chris Barnett**   
Chairperson, Committee on Rules

**Subject:** **Additional Testimony for Bill No. 142-37 (COR), As amended by the Committee for processing.**

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*Håfa Adai yan Biba Guåhan!*

Attached is an **Additional Testimony for Bill No. 142-37 (COR), As amended by the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance** to be processed and posted on the legislature website for public accessibility.





Senator William A. Parkinson  
Chairperson  
Committee on Power and Energy Utilities

Re: Testimony re. Bill 142-37 (COR)  
An Act to Amend § 8502©(2)(B) of Article 5, Chapter 8, Title 12, GCA

Via email: [senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)

September 15, 2023

Hafa Adai Senator Parkinson,

We would like to preface our testimony with the big picture reminder that humanity is facing an existential crisis that requires an all-hands-on deck push towards decarbonization. We also note that the Guam Legislature has committed to a net zero energy profile by 2045. This is a mere 21 years away. Though we believe the impact of Bill 142-37 will be modest, it is nonetheless a step in the right direction at a juncture in human history when every little bit counts.

We appreciate that managing a grid is a complicated endeavor and that additional sources of distributed generation (DG) must be integrated in a thoughtful and considered way to address issues such as the frequency regulation of the grid. However, we take issue with the Guam Power Authority's (GPA) arguments against supporting Bill 142-37 especially as these pertain to the estimated impact in dollars put forth in GPA'S testimony.

1. GPA argues that Net Energy Metering (NEM) customers receive full credit rate for energy exported to the grid and thus avoid paying their fair share of costs (cost-shifting) associated with the operation of the utility (maintenance, debt, capital investment, etc.).

#### COUNTERPOINTS

- a. The cost-shifting argument made by GPA fails to factor in the offsetting benefits DG has on the grid. When energy is exported to the grid it flows to the nearest load. This reduces distribution costs and transmission losses. Energy generated close to the point of consumption can alleviate stress on the grid and reduce the need for costly infrastructure upgrades. Replacing, upgrading, and expanding

that equipment is an increasingly large utility expense. Further, GPA fails to factor in the mitigating effect of DG on externalized costs such as public health (air pollution).

- b. As net metering credits are now zeroed out at the end of the year there is no incentive for a company to install a solar system that produces more than what it consumes. We believe the majority of commercial customers generate most of their load during daylight hours. Thus, the bulk of the energy produced by larger solar systems allowable under this bill will be consumed on the premises and NOT be sent back to the grid.
  - c. Many large businesses will not be able to cover their entire load because of roof top space limitations. Again, this means energy generated by solar panels will be self-consumed and NOT be sent back to the grid.
  - d. Solar power generation may also align with high electricity demand periods such as hot afternoons when air-conditioning use is high.
  - e. Distributed Energy Resource Management Systems (DERMS) software platforms are available and can assist utilities in the management of DG. Demand response programs, grid resilience via the use of decentralized sources of power, all become possible with the implementation of a smart grid. In this instance, DG becomes an asset and not a liability as characterized by GPA.
  - f. GPA has argued that NEM customers export to the grid (during daylight hours) when this energy is least needed. Consider a situation where GPA's battery banks need recharging because they have been discharged while providing backup during an outage. In that scenario the energy exported to the grid by DG during daylight hours will free GPA resources needed to recharge their battery banks. Note also, that DG exported to the grid reduces GPA's fuel consumption.
2. GPA argues that because the vast majority of NEM customers do not have energy shifting batteries, this adds to the overall energy demand of the grid during daily peak hours.
- a. This is misleading as one's status as an NEM customer has no bearing on consumption during peak hours. It is true that NEM customers have to rely on the grid when their PV is no longer generating, but this consumption would occur regardless of whether the consumer had PV panels or not. Consumption is NOT increased during peak hours because of one's status as an NEM customer.
  - b. GPA defines daily peak hours from 5PM – 11PM. While PV output is significantly reduced as evening sets in, PV production from 5 to 6 pm (especially during the summer) is not insignificant. It could be argued that larger commercial sized systems that will still be producing during this time will help reduce grid load during peak hours.

In closing, we believe Bill 143-37 will not negatively impact GPA's operations. While the bill is not comprehensive, it is a starting point that will enhance the deployment of DG. For example, battery systems require substantial PV power to operate properly. Increasing the allowable size of commercial systems will spur an increase in battery deployment. Regulations could be put into place whereby companies agreed to send power back to the grid during peak hours at an agreed upon price. In effect, the private sector would become a partner in grid stabilization.

We look forward to passage of this bill.

GOSOLAR GUAM