

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
63-37 (COR)	Joe S. San Agustin Roy A. B. Quinata Amanda L. Shelton Tina Rose Muña Barnes Dwayne T. D. San Nicolas William A. Parkinson	AN ACT TO ADD A NEW CHAPTER 14 TO 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 AUTHORIZING THE GUAM DEPARTMENT OF EDUCATION TO DIRECTLY PURCHASE ITS OWN SOLAR PHOTOVOLTAIC (PV) SYSTEM.	3/1/23 12:12 p.m.	3/8/23	Committee on Education, Public Safety and the Arts	Request: 3/8/23 4/24/23			Referred Version 3/7/23



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

April 24, 2023

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

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

Subject: **Fiscal Note for Bill No. 63-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 63-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 63-37 (COR)**

AN ACT TO ADD A NEW CHAPTER 14 TO 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 AUTHORIZING THE GUAM DEPARTMENT OF EDUCATION TO DIRECTLY PURCHASE ITS OWN SOLAR PHOTOVOLTAIC (PV) SYSTEM.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Department of Education (GDOE)	Dept./Agency Head: Judith Won Pat, Ed.D., Acting Superintendent
Department's General Fund (GF) appropriation(s) to date:	205,318,855
Department's Other Fund (Specify) appropriation(s) to date: Guam Educational Facilities Fund (\$12,838,487); Public School Library Resources Fund (\$686,994); Healthy Futures Fund (\$891,754); School Lunch/Child Nutritional Meal Reimbursement Fund (\$12,504,000); Limited Gaming Fund (\$380,225)	27,301,460
	232,620,315

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107 thru _____)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	1/	\$0	\$0	\$0	\$0
Special Fund	\$0	1/	\$0	\$0	\$0	\$0
Total	\$0	1/	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment 1/
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? \$ _____ /X/ N/A
- Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? / / N/A / / 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
/X/ Requested agency comments not received by due date / / Other:

Analyst: William P. Takkingong Date: 3/21/23 Director: Lester L. Carlson, Jr., Director Date: APR 21 2023

Footnotes:
1/ See attached comments on Bill 63-37 (COR).

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 63-37 (COR)

The proposed Bill 63-37 (COR) is an act to add a new Chapter 14 to 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 authorizing the Guam Department of Education (GDOE) to directly purchase its own Solar Photovoltaic (PV) System.

It should be noted that the preamble of Bill 63-37 (COR) indicates the act to add a new Chapter 14, however, Section 2 of Bill 63-37 (COR) intends to add a new Chapter 13 to Division 2, Title 17, Guam Code Annotated. Apparently, this is in error and requires technical corrections as there is an existing Chapter 13 to Division 2, Title 17 Guam Code Annotated.

The noted legislative intent is to authorize the GDOE to purchase solar energy technology with energy storage and to utilize the rooftops of Guam's educational facilities at GDOE for the installation of solar panels to aid in the attainment of zero cost energy for cleaner electricity production, usage and cost savings. It is also noted in the legislative intent that the GDOE spends about \$12 million on electric utility for all 41 public schools and equipping the local public schools with solar energy technology will allow GDOE to lessen its utility obligations and focus on their necessities such as school maintenance and repair and hiring of certified teachers.

Section 2 of the proposed Bill 63-37 (COR) is relative to the Guam Department of Education Solar Energy System Ownership. This new Chapter to be added will outline the definitions, authorization, financing mechanism, cost savings provision, and the request for proposal for GDOE to directly purchase Solar PV Systems for its public schools.

Section 3 of the proposed Bill 63-37 (COR) will amend § 5008.2 of Subarticle A, Article 1, Chapter 5, Guam Code Annotated of the Guam Procurement Law relative the Policy in Favor of Renewable Energy Purchase of Service.

It should be noted that the Bureau had sought input on the proposed Bill No. 63-37 (COR) from the GDOE on March 8, 2023 and again on March 15, 2023. The Bureau have not received any official comments from GDOE as of the date of this fiscal note.

The Bureau anticipates a financial impact to GDOE relative the purchase of Solar PV Systems for its public schools, however, such impact cannot be determined at this time without information from the GDOE. The GDOE will need to conduct site assessments and system designs for each school. Other costs such as solar panel costs, installation and connection to the electrical grid will also need to be factored into the full cost of the system.

According to information acquired through internet queries, Solar PV systems can be customized and sized to meet specific energy and facility needs of each school. A PV system can vary in size and also be built on roofs, ground mounted or even installed on carports. The cost of solar varies by state and incentive programs, the general cost of a PV system can range from \$1.75 to \$2.75 per watt installed. This includes the cost of the materials, installation, system size permits, and interconnecting the system to the electric grid. The cost of a small demonstration solar system (1 to 5 kW) could range from \$3,000 to \$30,000 , which would

cover roughly 200 square feet of panel space. In contrast, a larger system designed to cover a significant portion of the school's energy could cost millions.

In addition, the following information provided is from an internet search and illustrates the potential costs of such solar systems. The Washington State Department of Commerce in 2022 provided a list of grants awarded under its 2021 State Energy Strategy program to fund projects for state and local government agencies to install solar panels at public buildings in communities throughout the state. The following are some of the listed projects to school districts with the funding awarded and the electric capacity of the solar system:

- Lummi Nation: \$98,672 to install 72 kW at Lummi Tribal School
- Palouse School District: \$188,874 to install 103 kW at Palouse High School
- Shoreline School District (3 grants):
 - \$82,500 to install 124 kW at Syre Elementary School
 - \$82,500 to install 145 kW at Shorewood High School
 - \$82,500 to install 150 kW at Shorecrest High School
- South Whidbey School District: \$177,010 to install 100 kW at South Whidbey Elementary School
- Spokane Public Schools: \$76,072 to install 68 kW at Linwood Elementary School
- Tumwater School District: \$88,553 to install 78 kW at Black Hills High School

The program provides competitive funding to install solar at public buildings and facilities, helping to cut energy costs, reduce pollution and showcase solar in communities across the state.

In regards to the potential savings on energy costs for GDOE, it was previously reported in a Guam Daily Post Article dated October 28, 2019, entitled GDOE looks to solar to help school maintenance, that the GDOE estimates it can save \$4 million to \$5 million per year in utility costs by using solar energy in schools.

As an estimated potential savings was noted by GDOE in the above reference Article, the Bureau also sought input from the Guam Power Authority (GPA) on the proposed Bill No. 63-37 (COR) as such savings could cause a loss of revenues to the GPA. A request for comments was sent to GPA on March 31, 2023 and a follow-up request on April 7, 2023. The Bureau have not received any official comments from GPA as of the date of this fiscal note.