

I Mina'Trentai Dos Na Liheslaturan Guahan

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
212-32 (COR)	T.R. Muña Barnes Judith T. Won Pat, Ed.D.	AN ACT TO ADD A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE PROCURING, INSTALLING, OPERATING, LEASING, MAINTAINING, REFURBISHING, AND REPLACING OF ENERGY-EFFICIENT STREETLIGHTS FOR THE ENTIRE ISLAND OF GUAM ALSO KNOWN AS THE ISLAND-WIDE ENERGY EFFICIENT STREET LIGHT ACT OF 2013.	10/22/13 12:50 p.m.	10/22/13	Committee on General Governmental Operations and Cultural Affairs			



COMMITTEE ON RULES

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October 22, 2013

MEMORANDUM

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

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio** 
Majority Leader & Rules Chair

Subject: **Referral of Bill No. 212-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 212-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I MINA' TRENTI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 212-32 (COR)
Introduced by:

T.R. Muña Barnes
J.T. Won Pat, Ed.D.

2013 OCT 22 PM 12:50

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AN ACT TO *ADD* A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE PROCURING, INSTALLING, OPERATING, LEASING, MAINTAINING, REFURBISHING, AND REPLACING OF ENERGY-EFFICIENT STREETLIGHTS FOR THE ENTIRE ISLAND OF GUAM ALSO KNOWN AS THE ISLAND-WIDE ENERGY EFFICIENT STREET LIGHT ACT OF 2013.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Title. This Act *shall* be cited and referred to as the 'Island-Wide Energy Efficient Streetlight Act of 2013.'

Section 2. Chapter 59A is hereby *added* to Title 5 of the Guam Code Annotated to read as follows:

"CHAPTER 59A

The Island-Wide Energy Efficient Streetlight Act of 2013

§59A101. Title.

§59A102. Legislative Findings and Intent.

§59A103. Definitions.

§59A104. Installment Purchase Agreement Authorization.

§59A105. Procurement.

§59A106. Responsibilities of Contractor.

§59A107. Assignments.

1 **§59A108. Pledge of Revenues.**

2 **§59A109. Cost Savings Reporting and Procurement of**
3 **Additional Streetlights.**

4 **§59A110. Severability.**

5
6 **§59A101. Title.** This Act *shall* be known and *shall* be cited as the ‘***The Island***
7 ***Wide Energy Efficient Streetlight Act of 2013.***’

8 **§59A102. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that the
9 Guam Power Authority (“GPA”) currently utilizes two types of streetlights, namely the
10 150-watt type II High Pressure Sodium (“HPS”) and the 250-watt type IV HPS cobra
11 head luminaires. In 2010, GPA initiated a pilot program to determine the feasibility of
12 replacing the HPS streetlight technology with LED and/or induction lighting technology
13 in an effort to lower power consumption and generation, reduce carbon dioxide
14 emissions, and produce for the island’s power system a higher quality light. That pilot
15 project was completed in April 2012. As a result of the pilot project it was found that
16 streetlights using LED technology resulted in lower power consumption.

17 *I Liheslaturan Guåhan* further finds that GPA’s total streetlight count is
18 approximately 16,359, 78% of which are 150-watt type II HPS lights, and 22% of which
19 are 250-watt HPS lights. Tests have indicated that the actual power consumption of the
20 150 and 250-watt HPS lights are approximately 180-watts and 300-watts, respectively.
21 Assuming an operation time of 12 hours a night, the total island-wide streetlight power
22 consumption is approximately 4.05 megawatt-hours (MWh) per night, or about 1.48
23 gigawatt-hour (GWh) per year. At an hourly cost of \$0.1933/kilowatt-hour (kWh) taken
24 at the beginning of the project, the total per annum cost to the Government of Guam is
25 approximately \$2,850,000.00.

26 *I Liheslaturan Guåhan* further finds that with the increasing cost of fuel, methods
27 of decreasing consumption must be employed. It is therefore the intent of *I Liheslaturan*
28 *Guåhan* to authorize the Department of Public Works (“DPW”), in conjunction with

1 GPA, to replace the existing HPS streetlights with streetlights using Light Emitting-
2 Diode (“LED”) technology.

3 **§59A103. Definitions.** For purposes of this Chapter and *unless* otherwise
4 specified, the following words and phrases are defined to mean:

5 (a) “Act” means Chapter 59A of Title 5 of the Guam Code Annotated,
6 known as the “*The Island-Wide Energy Efficient Street Light Act of 2013.*”

7 (b) “Contract” *shall* collectively mean the procurement and the installing,
8 operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED
9 technology entered into between DPW and the Contractor following negotiations on the
10 response to the Multistep Invitation for Bids (“IFB”).

11 (c) “Contractor” *shall* mean the authorized entity whom *shall* be the
12 signatory on the Contract and *shall* be fully responsible for carrying out the procurement
13 and the installing, operating, leasing, maintaining, refurbishing, and replacing of
14 streetlights using LED technology. The Contractor may cooperate with another entity or
15 entities in any manner the Contractor deems appropriate to provide for the installing,
16 operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED
17 technology envisioned by this Act.

18 **§59A104. Installment Purchase Agreement Authorization.** For the purpose of
19 facilitating the financing, procurement, and maintenance of streetlights envisioned by
20 this Act, the government of Guam is authorized to enter into an installment purchase
21 agreement arrangement with a Contractor for the procurement of streetlights.
22 Specifically, DPW, in conjunction with the GPA and in consultation with the respective
23 village mayors, *shall* determine the needs and specification within the IFB.

24 The Government of Guam is authorized to purchase from the Contractor for a
25 period mutually agreed upon between the Government of Guam and the Contractor as
26 may be reasonably necessary to amortize over the installment purchase period any and
27 all costs associated with the financing, procurement, and preventative maintenance of the
28 streetlights. In no event *shall* the installment purchase agreement be greater than ten (10)

1 years.

2 After the maturity of the installment purchase agreement, the government of Guam
3 shall own the streetlights. Additionally, the interest rate of the installment purchase
4 agreement shall not exceed the prime rate plus one percent. The installment purchase
5 agreement may be structured as an annually renewable agreement with provision for
6 automatic renewal to the extent that pledged revenue under Section 59A108 of this Act is
7 available. The installment purchase agreement *shall not* be construed as a debt under
8 any applicable debt limitation under the Guam Organic Act or Guam law.

9 **§59A105. Procurement.** Subject to the approval of *I Liheslaturan Guåhan*,
10 DPW with the assistance of GPA, via a Memorandum of Understanding, *shall* solicit the
11 IFB through DPW, in compliance with the Guam Procurement Law, 5 GCA §5001 *et*
12 *seq.*, for the procurement and installing, operating, leasing, maintaining, refurbishing,
13 and replacing of streetlights using LED technology, together with maintenance over the
14 Installment Purchase Agreement period, according to the needs of the Government of
15 Guam and consistent with this Chapter. The IFB *shall* be issued within thirty (30) days
16 of enactment of this Act.

17 **§59A106. Responsibilities of Contractor.** The Contract *shall* require that the
18 Contractor be responsible for all costs, expenses and fees of any kind or nature,
19 associated with the procurement and the installing, operating, leasing, maintaining,
20 refurbishing, and replacing of streetlights using LED technology, and to the extent
21 provided by the Government of Guam in the IFB. The Installment Purchase Agreement
22 may provide that if sufficient funds are not appropriated or otherwise available for the
23 payment of amounts due under the lease and any maintenance agreement, the
24 Government of Guam shall cease utilizing those streetlights, and the Contractor *shall*
25 have the right of use for the remainder of the term of the Installment Purchase
26 Agreement, unless new mutually satisfactory terms are entered into. For this purpose,
27 the Installment Purchase Agreement may provide that its term *shall* be extended for a
28 period *not to exceed* the *shorter* of five (5) years beyond the original term of the

installment purchase agreement *or* such period of time as is necessary to repay in full any financing as envisioned in this Act.

§59A107. Assignments. To facilitate the purposes of this Act and to provide security for the holders of any financing instruments issued pursuant to this Act, the Contractor may assign, without the need for consent of the Government of Guam, the Contract to any underwriter, trustee or other party as appropriate to facilitate the issuance of the tax-exempt obligations, other financial instruments, or alternative financing for procurement and the installing, operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED technology.

§59A108. Pledged Revenues. The installment purchase agreement for the procurement and the installing, operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED technology *shall* be secured by a pledge from the annual appropriations made from the Street Light Fund, 16 GCA §7161, and the Territorial Highway Fund, 5 GCA §54102, for the operation of public street lights. For the purposes of this Contract *only*, the Government of Guam agrees to appropriate *no less than* the amounts identified in the Street Light Fund and the Territorial Highway Fund for the operation of public streetlights in Fiscal Year 2014 for the term of the Contract. Any such pledge or reservation authorized hereunder shall be valid and binding from the time the pledge or reservation is made and shall be made from the Territorial Highway Fund for the operation of public street lights.

§59A109. Cost Savings Reporting and Procurement of Additional Streetlights. The amount saved by transitioning from the existing HPS lights to LED lights *shall* be reported by GPA to *I Liheslaturan Guåhan* within ninety (90) days of installation of the streetlights. The amount of savings realized *shall* be available to procure additional streetlights as needed. DPW, in conjunction with GPA and in consultation with the respective village mayors, *shall* identify the placement of these additional streetlights.

Section 3. Severability. *If* any provision of this Act or its application to any

1 person or circumstance is found to be invalid or contrary to law, such invalidity shall not
2 affect other provisions or applications of this Act which can be given effect without the
3 invalid provisions or application, and to this end the provisions of this Act are severable.