

GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
April 25, 2019
Suite 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:31 p.m. on April 25, 2019, pursuant to due and lawful notice. Commissioner Perez, who served as acting Chairperson, and Commissioners Montinola, Pangelinan, McDonald, Cantoria, and Miller were in attendance. The following matters were considered at the meeting under the agenda included as *Attachment "A"* hereto.

1. Approval of Minutes

The Chairperson announced that the first item of business on the agenda was approval of the minutes of March 28, 2019. Upon motion duly made, seconded, and unanimously carried, the Commission approved the minutes subject to correction.

2. Administrative Matters

The Chairperson announced that the next item of business was the PUC Travel Policy. ALJ Horecky stated that the only changes to the policy since the last meeting was the addition of a provision wherein the Chairperson's travel would be reviewed and approved by the Vice-Chairperson and the effective date for the updated policy was changed from February 1, 2019 to May 1, 2019. Commissioner Montinola moved to approve the updated PUC Travel Policy, which motion was seconded by Commissioner McDonald. The motion carried unanimously.

The Chairperson announced that the next item of business was the Extension of the PUC Contract for Administrative and Bookkeeping Services. ALJ Horecky stated that George Kim, a Certified Public Accountant, has been providing the PUC administrative and bookkeeping services for at least the last four or five years. ALJ Horecky stated that Kim works a maximum of forty-eight hours per month, that he comes to the PUC's offices about three times per week, and that the PUC pays Kim \$1,200 per month. ALJ Horecky stated that the contract is in the same form as in previous years and that it would extend Kim's contract for Administrative and Bookkeeping Services for another year. Commissioner McDonald moved to approve the Extension of the PUC Contract for Administrative and Bookkeeping Services, which motion was seconded by Commissioner Pangelinan. The motion carried unanimously.

The Chairperson announced that the next item of business was GPA filing of Net Metering Data. ALJ Horecky stated that since 2013, GPA files this report annually in GPA Docket No. 08-10 and the report discloses GPA's total number of net metering customers. ALJ Horecky stated that the current report indicates GPA has around two-thousand net metering customers out of a total of approximately fifty-one-thousand customers. The Chairperson and Commissioner Montinola inquired as to whether the correct docket number of 19-04 and ALJ Horecky confirmed that the correct docket number was 08-10. A discussion ensued between the Commissioners and ALJ Horecky concerning the location of the report in the Commissioner's binders and ALJ Horecky clarified where in the binders the report was located.

The Chairperson announced that the next item of business was GPA's Response to Daymark's Net Metering Report. ALJ Horecky stated that Daymark is the consultant the PUC hired to address this matter and that the Commissioners have previously reviewed its net metering report. ALJ Horecky stated that GPA filed a couple of responses to that report and that he gave the Commissioners the testimonies of Megan Nutting, the vice-president of Sunnova, who works with MRE on Guam, and MRE's consultant, Karl Rabago, whose testimonies were presented at the three public hearings that were conducted for Net Metering. ALJ Horecky stated that he picked these two testimonies because they addressed the issues at an academic level and that he wanted to prepare the Commissioners for GPA Docket No. 19-04 which will be before the Commissioners next month for a decision. The Chairperson inquired whether GPA filed its Net Metering Data and its response to Daymark's Net Metering Report and ALJ Horecky confirmed that was correct and he stated that he wanted to present the different positions of the parties and that he was working on his ALJ Report which would give the substance of the issues by next meeting.

The Chairperson announced that the next item of business was Other Business. A discussion then ensued between the Commissioners and ALJ Horecky on what month the PUC would consider for vacations and other purposes and they agreed to revisit this issue next month.

ALJ Horecky then announced the passing of Attorney Bill Blair who had a very big role in the PUC for many years by serving as the counsel for Georgetown, the early PUC's longtime consultant. A discussion ensued between the Commissioners and ALJ Horecky concerning where memorial services for Mr. Blair would be held and whether the PUC could send a memorial bouquet of flowers to commemorate Mr. Blair's work that shaped the early PUC and it was agreed that ALJ Horecky would look into finding out whether PUC funds could be used for such a purpose and ALJ Horecky stated that he would be getting back to the Commissioners about his findings.

The Chairperson inquired as to whether there were any more matters to discuss and Commissioner Miller inquired as to whether the numbers in the net metering reports concerning the key area of percent of penetration of solar power is based on a percent of

customer accounts. ALJ Horecky stated that it was based on a percent of customers, that it was probably 3.6%, and that there has never been an analysis of generation capacity. Commissioner Miller then inquired if the numbers were for the peak demand. ALJ Horecky stated that Daymark's estimate comes from the fact that, at least two years ago, there was roughly 20 megawatts of solar energy produced by the net metering customers, maybe at peak load, but that may have gone down in the last couple of years. ALJ Horecky stated that we don't really know how accurate that is because GPA does not count any of the solar power in the evenings because they say it does not add to the grid, the age of solar power systems can also degrade over the years so it may be less, and we do not have any good figures on GPA's 20 megawatt number they say they use and it's just their estimate. ALJ Horecky stated that GPA uses some information from the national renewable laboratories which estimate the solar systems on Guam, which estimate that solar systems are only used for five hours per day and that we do not have a great number as to what the actual percentage would be.

Commissioner Montinola inquired as to whether the number would be close to 2,000 and ALJ Horecky stated that would be correct. Commissioner Montinola inquired as to what the percentage would be for 51,000 customers and ALJ Horecky stated that the percentage would be based on the number of net metering customers divided by total customers. Commissioner Montinola inquired whether the 51,000 customers included commercial and residential customers and ALJ Horecky stated that it included both types of customers and that there were more residential customers than commercial customers. ALJ Horecky stated that one of the issues was the level of penetration at which the PUC would want to change the rules and he stated that Hawaii set that level at 10% to 12% and other jurisdictions set it even higher. ALJ Horecky further summarized the issues as how far along is the solar industry on Guam, is it really that far along, and whether it's an appropriate time to make a change. A discussion ensued between Commissioner Montinola and ALJ Horecky concerning customer use of battery storage and how that practice is expected to increase in the future and whether it would be a good idea to wait until this practice is further developed before making changes now.

The Chairperson inquired if any of the Commissioners had any questions. Commissioner Pangelinan inquired whether there were any updates on the request to change rates for condominiums. ALJ Horecky stated that after the petition was filed, he contacted GPA and they had their first meeting concerning this issue at which GPA disclosed that they needed a cost of service study and that they had begun such study. ALJ Horecky stated that GPA was concerned with how the transfer of large numbers of customers from commercial to residential would affect their revenues and customer rates. ALJ Horecky also stated that last Monday he had a conference call with GPA's consultant who stated that they would be sending him a timeline as to how long the cost of service study would take to complete. ALJ Horecky stated that he expected GPA to get back to him concerning the timeline next week and he further stated that this matter would not be on the Agenda for the next PUC Meeting. A discussion ensued

between Commissioner Montinola and ALJ Horecky concerning whether or not the proposed change would hurt or help the ratepayers and that the PUC could not schedule the matter before them in April, 2019 as desired by the petitioners.

Commissioner Pangelinan inquired as to whether GPA's condominium customers had individual meters now and ALJ Horecky stated that they had submeters and methods they used to calculate how much each condominium should pay. ALJ Horecky also stated that GPA determines who's residential and who's commercial based on the meters, specifically, if there is only one meter for the entire condominium it is commercial, if there are individual meters then it is residential. ALJ Horecky stated that GPA is looking into whether there should be a new condominium rate.

There being no further administrative matters or business, the Commissioners moved to adjourn the meeting.



Rowena Perez
Acting Chairperson

ATTACHMENT A

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE., HAGATNA, GUAM
6:30 p.m., April 25, 2019**

Agenda

- 1. Approval of Minutes of March 28, 2019**

- 2. Administrative Matters**
 - PUC Travel Policy
 - Extension of PUC Contract for Administrative and Bookkeeping Services
 - GPA Filing of Net Metering Data
 - GPA Response to Daymark Net Metering Report

- 3. Other Business**