BEFORE THE
PUBLIC UTILITIES COMMISSION
OF GUAM

STAFF REPORT ON THE IMPLEMENTATION OF A "NET METERING" RIDER PURSUANT TO THE ENERGY POLICIES ACT OF 2005 AND GUAM PUBLIC LAW 29-62

Prepared by
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IMPEMENTATION OF A "NET METERING" RIDER PURSUANT TO THE ENERGY POLICIES ACT OF 2005 AND GUAM PUBLIC LAW 29-62

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BACKGROUND

This report provides the Public Utilities Commission (PUC) with our findings and recommendations concerning a net-metering rate, rules and regulations. As previously reported in our July 30, 2008 report to the PUC the Energy Policy Act of 2005 ("the Act"), which was signed into law on August 8, 2005, amends the Public Utilities Regulatory Policies Act of 1978 ("PURPA") in a number of areas. Specifically, the Act has added five new standards to the ten (10) existing standards previously outlined in PURPA[1] and the Energy Policy Act of 1992[2]. One of the new standards is the requirement that unregulated utilities and regulators address the application of "net metering" (synonymous with net billing) standard. Subsequently, the Guam legislature recognized the importance of this federal public policy and enacted Public Law 29-62 requiring the creation of a net metering rate on Guam.

The PUC issued on May 30, 2008 a Order in Docket No. 02-4 initiating a proceeding, under which "net metering" rate, rules, and regulations are to be established in accordance with Article 5 of Guam Power Authority's (GPA) enabling legislation. In his July 3, 2008 scheduling memorandum for GPA's September 2008 regulatory conference, the Administrative Law Judge (ALJ) requested Georgetown Consulting Group, Inc. (GCG) to prepare a report, with a proposed rate and necessary service rules and regulations that could be ready for GPA comment and public hearings during the September 2008 Regulatory Session. This session is currently targeted for September 22 through October 3, 2008.

This report presents GCG's recommended net metering rate, service rules and regulations. We are recommending that net metering be made available to all customer classes and that the rate, service rules and regulations be included in a Net Metering (NM) Rider. Attached as Exhibit A is the recommended NM Rider.

NET METERING CONSIDERATIONS

Public Law 29-62 requires the PUC to adopt a net metering rate, rules, and standards allowing GPA to offer net metering service, under which electric energy generated by a consumer from an eligible on-site generating facility may be used to offset electric energy provided by GPA to the consumer during the applicable billing period. The term "net metering" as used in Public Law 29-62 and the Act means service to a customer under which electric energy is generated by that electric customer from an eligible on-site

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[1] PURPA had six standards for regulators to consider: (1) cost of service; (2) declining block rates; (3) time-of-day rates; (4) seasonal rates; (5) interruptible rates; and (6) load management techniques.

[2] The 1992 Act had four standards to consider: (1) integrated resource planning; (2) investments in conservation and demand management; (3) energy efficiency investments in power generation and supply; and (4) consideration of the effects of wholesale power purchases on utility cost of capital.

generating facility and is delivered to GPA's local distribution facilities and may be used to offset electric energy provided by GPA to the customer during a the same billing period. Net metering permits the billing meter of those customers with generating facilities to run backwards when their generator(s) produce more power than they consume. Running the meter backwards potentially allows a customer with on-site generating facilities to receive a credit in excess of the costs the utility avoids. Net metering, often results in providing a subsidy to an on-site generating customer and the transfer of certain cost burdens incurred by the utility to the utilities' other customers.

In developing the recommended NM Rider we relied on a large database of existing net metering rates, rules, and regulations that exists as a result of 42 mainland jurisdictions already having in place net metering rates, rules and regulations. Based upon analysis of relevant Guam legislation and our understanding of GPA, its facilities, and net metering applications we are recommending the PUC approve the NM Rider attached as Exhibit A.

In considering GCG's recommended NM Rider the PUC should consider the following policy and practical issues. These include:

1) Customer-Generator Capacity Limitation—over 42 mainland jurisdictions have enacted net metering policies, rates, rules and regulations. Exhibit B presents an overview of each state and shows the customer-generator kW capacity eligible for "net metering" as well as an aggregate "net metering" limitation, if any, for each regulatory jurisdiction. Like Guam, many states have enacted limitations on the amounts of customer-generator capacity available for net metering treatment. The Guam legislation specifies a maximum limitation of 25 kW per customer-generator. This limitation is generally consistent with the capacity limitations imposed by many mainland regulatory jurisdictions.
2) Aggregate System Capacity Limitation—many, if not most, regulatory jurisdictions have imposed limitations on the aggregate capacity eligible for "net metering" treatment. These limitations are not meant to place a constraint on the amount of renewable energy delivered by customer-generators, but instead are a means used to limit the level of rate subsidization by other customers. The Guam legislation does not place a limit on the aggregate amount of capacity that may be produced by customer-generators availing themselves to a "net metering" rate. While we are concerned about the potential subsidization of "net metering" customers by other GPA customers, we believe the potential benefits in the near-term outweigh these concerns. We would recommend that at that time the number of customer-generators availing themselves to the "net metering" tariff approaches one-thousand (1000) customers that this issue be reviewed by the PUC.
3) Availability to Customer Classes—in many regulatory jurisdictions "net metering" is available only to residential and small commercial customers. Public Law 29-62 is silent on this matter. While the individual customer limitation of 25 kW would seem to support the intent of the legislation to limit availability to residential and small commercial customers such limitation is not specifically spelled out in Public Law 29-62. We see the benefit of encouraging fuel diversification and small scale generation and have not included any limitation in the attached NM Rider. As recommended, the NM Rider is available to all GPA customer classifications.

4) Available Technologies—many jurisdictions limit the technologies available for "net metering." Public Law 29-62 includes virtually every technology feasible at the 25 kW. We have not recommended any further expansion of available technologies.
5) Net Metering Rate—the principal consideration is the balancing of interest to maximize the capacity delivered by customer-generators availing themselves to "net-metering" and the impact on other customers subsidizing the distribution and other related costs potentially avoided by customers with on-site generation. We believe the rate recommended in the NM Rider accomplishes this objective. This rate is consistent with the rate established by many mainland regulatory jurisdictions and is based upon the customer-generator being billed for only net consumption during the current month, credited at the full retail energy rate on the customer's next bill for excess energy, and any excess kWh's remaining at the end of the calendar year being granted to GPA at no cost.
6) Standard Interconnection Agreement for Net Metering Facilities—we have included in the NM Rider the requirement that net-metering customers be required to enter into a separate agreement with GPA before being eligible for the NM Rider. The Standard Interconnection Agreement would further specify the duties and responsibilities of both GPA and the customer-generator. Interconnection agreements are a standard operating practice in the industry for net-metering customers. It is recommended that GPA prepare a draft Interconnection Agreement for Net Metering Facilities. This draft agreement should be submitted to the PUC for review and approval (numerous industry templates exist that GPA could use as a model for development of a GPA specific agreement)[3]. To avoid any delay in the implementation of the NM Rider, we encourage GPA to file as quickly as possible its proposed Standard Interconnection Agreement.
7) Technical Requirements—have been designed to require compliance with IEEE Standard 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems." All other technical requirements contained in the recommended NM Rider are consistent with industry standards for "net metering" applications.
8) Insurance Requirements—GCG believes it prudent that customer-generators carry sufficient liability insurance considering the hazards and potentially liability that may arise from operations of a customer-generating facility. In our opinion, not carrying sufficient insurance would be irresponsible and may potentially expose GPA and other customers to unnecessary liabilities. The recommended NM Rider requires that customer-generators carry a one-million dollar ($1,000,000) liability policy. A potential issue for the PUC to consider is that the Guam legislation states a customer-generator "whose net metering system meets such safety and quality standards must not be required by the utility to: ... (4) purchase additional liability insurance, arising solely from his status as a customer-generator." The legislation clearly prohibits GPA from unilaterally requiring a customer-generator to carry "additional" liability insurance; however, the legislation does not appear to place

[3] EPA of 2005 amends PURPA by adding the requirement for consideration and determination of electricity standard on interconnection. The interconnection standard states that each electric utility should make available, upon customer request, interconnection service to any electric consumer it serves (under which an on-site generating facility on the consumer's premises is connected to the local distribution facilities). Interconnection services are to be based on IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems. In addition, agreements and procedures shall be established whereby the services are offered that promote best practices of interconnection for distributed generation, including, but not limited to, practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

any limitations on the amount of liability insurance that the PUC may deem prudent and reasonable as part of the rules and regulations associated with the NM Rider. We believe the recommended insurance requirement to be consistent with industry practice.

9) Other Rules and Regulations—there are numerous other terms and conditions contained in the proposed NM Rider. We believe these rules and regulations to be consistent with industry and regulatory practice.

In summary, we believe the recommended NM Rider contained in Exhibit A meets the requirements of Guam legislation and is consistent with industry practices. Accordingly, we recommend its approval.

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Exhibit A
Net Metering Rider—NM

NET METERING RIDER FOR CUSTOMER-GENERATOR ENERGY FACILITIES

GENERAL:

To encourage private investment in renewable energy resources; stimulate economic growth; and enhance the diversification of energy resources in the Territory this Net Metering (NM) Rider for Customer-Generator Energy Facilities is offered to customers operating qualifying generation facilities. The NM Rider may be amended or modified in the future by GPA, with the approval of the Guam Public Utilities Commission (PUC),

AVAILABILITY:

The NM Rider is available to GPA customers throughout the Territory who own and operate an eligible Net Metering Facility designed to operate in parallel with GPA's distribution facilities. Existing GPA distribution facilities of adequate capacity and suitable phase and voltage must be adjacent to the Net Metering Facility of the Customer-Generator. Customers eligible for this Rider must also take service from GPA under an applicable standard service tariff. The NM Rider is offered in conjunction with the GPA's existing rate schedules for the following customer classifications:

Schedule R—Residential Service
Schedule G—General Service - Non Demand
Schedule J—General Service - Demand
Schedule P—Large Power Service
Schedule S—Small Government Service - Non Demand
Schedule K—Small Government Service - Demand
Schedule L—Large Government Service
Schedule N—Navy Service

The NM Rider is available to all customers without limitation as to the aggregate capacity of Customer-Generator installations on the GPA system. However, at that time the number of Customer-Generators exceeds one-thousand (1000) customers this issue will be reviewed by the PUC and a determination made as to the continued offering of the NM Rider for new "net metering" customers.

Provisions of applicable rate schedules with which the NM Rider is used are modified as described herein.

APPLICATION:

The NM Rider is applicable to Customer-Generator facilities which operate in parallel with the GPA system and which meet the Conditions of Service for a Net Metering Facility. Only those customers who produce electrical energy using eligible Net Metering Facilities (i.e., fuel cells, micro-turbines, wind, biomass, hydroelectric, solar energy or a hybrid system consisting of these facilities) will be eligible for this Rider. This Rider is applicable only to the net energy supplied to

(Continued on Sheet NM-2)

(Continued from Sheet NM-1)

GPA's system by the Customer-Generator. All other services furnished to the customer shall be billed in accordance with the rates and charges under the customer's applicable standard rate schedule.

CONDITIONS OF SERVICE:

For the purposes of this NM tariff, an eligible Customer-Generator must comply with all of the following requirements:

1) Operate and produce electric energy by fuel cells, micro-turbines, wind, biomass, hydroelectric, solar energy or a hybrid system consisting of these facilities, as its primary source of fuel;
2) Own and operate generation facilities located at customer premises;
3) Have as its primary purpose the intent of supplying a part or all of the electrical energy requirements of customer; and
4) Design and install facilities to operate in parallel with GPA's electric distribution system without adversely affecting the operation of the equipment and service of GPA and its customers and without presenting safety hazards to GPA and customer personnel.

The rated capacity of the Customer-Generator facilities at any single customer service location shall not exceed twenty-five (25) kilowatts.

Customer-Generators seeking to interconnect an eligible Net Metering Facility to GPA's system must submit to GPA a completed "Standard Interconnection Agreement for Net Metering Facilities," and a one-line diagram showing the configuration of the proposed Net Metering Facility.

A "Standard Interconnection Agreement for Net Metering Facilities" between GPA and the eligible Customer-Generator must be executed before the Net Metering Facility may be interconnected with GPA's system.

Customer-Generator facilities connected in parallel operation with GPA and located on customer's premises must be manufactured, installed and operated in accordance with governmental and industry standards and capable of providing single phase or three phase electric energy at 60 Hertz. The service provided under the NM Rider will be provided to the entire premise through a single point of delivery at a single voltage.

All generator equipment and installations must comply with GPA's Technical Requirements. All generator equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code and state and local codes. All generator equipment and installations shall comply with all applicable safety, performance and power quality standards, established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories.

Customer-Generators shall provide GPA proof of qualified installation of the Net Metering Facility. Certification by a licensed electrician shall constitute acceptable proof.

(Continued on Sheet NM-3)

(Continued from Sheet NM-2)

Customer-Generators shall install, operate, and maintain the electric generating facility in accordance with the manufacturer's suggested practices for safe, efficient, and reliable operation in parallel with GPA's system.

Customer-Generators must provide a visibly open, lockable, manual disconnect switch, which is accessible by GPA and is clearly labeled.

GPA may, at its own discretion, isolate any electric generating facility if GPA has reason to believe that continued interconnection with the electric generating facility creates or contributes to a system of emergency.

GPA may perform reasonable on-site inspections to verify the proper installation and continuing safe operation of the Net Metering Facility and the interconnection facilities, at reasonable times and upon reasonable advance notice to the Customer-Generator.

Customers operating electric generating facilities shall maintain homeowners, commercial or other insurance providing coverage in the amount of at least one million thousand dollars ($1,000,000) for the liability of the insured against losses or damages arising from the use of customer's electric generating facility. Customer-Generators must submit evidence of such insurance to GPA with the "Standard Interconnection Agreement for Net Metering Facilities." GPA's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

An eligible Customer-Generator installation is transferable to other persons or service locations only upon notification to GPA and verification that the installation is in compliance with all applicable safety and power quality standards. All other conditions of service apply.

METERING:

Net energy metering shall be accomplished using a standard kilowatt-hour meter capable of measuring the flow of electricity in two (2) directions. If the existing electrical meter installed at the Customer-Generator's facility is not capable of measuring the flow of electricity in two directions, GPA shall furnish and install a standard bi-directional kilowatt-hour meter. The Customer-Generator shall provide any related interconnection equipment in accordance with GPA's technical requirements, including safety and performance standards. The Customer-Generator shall be responsible for all costs associated with the installation of a standard kilowatt-hour meter. Such Customer-Generator responsible costs include, but are not limited to, the meter socket, riser, weather head and other related equipment.

In the case where two meters are used, the reading of the meter measuring the flow of energy from the customer to GPA shall be subtracted from the reading of the meter measuring the flow of energy from GPA to the customer to obtain a measurement of net kWh for billing purposes

(Continued on Sheet NM-4)

(Continued from Sheet NM-3)

MONTHLY BILLING:

On a monthly basis, net metering customers shall be billed energy charges applicable under the currently effective standard rate schedule and any appropriate rider schedules including the Levelized Energy Adjustment Clause and other clauses as well as surcharges. Under this NM tariff, only the kilowatt-hour (kWh) units of a Customer-Generator's bill are affected. No excess energy credits shall reduce any fixed monthly customer or demand charges, if any.

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to GPA's standard service tariff under which the customer would otherwise be served, absent the customer's electric generating facility. Energy charges under the customer's standard tariff shall be applied to the customer's net energy for the billing period to the extent that the net energy exceeds zero.

If the customer's net energy is zero or negative during the billing period, the customer shall pay only the non-energy charge portions of the standard tariff bill. If the customer's net energy is negative during a billing period, the customer shall be credited in the next billing period for the kWh difference. When the customer elects no longer to take service under this Net Metering Service Tariff, any unused credit shall revert to GPA. Excess electricity credits are not transferable between customers or locations.

In no event shall the excess credit from a single month be carried forward beyond twelve (12) months as a credit against the current monthly bill. At the end of each calendar year, or in the event of termination of service under this Rider, any excess kWh credits, if any, will be granted by the customer to the GPA without compensation to the customer.

OTHER CHARGES:

The customer is responsible for all equipment and installation costs of the electric generating facility.

As specified in the "Standard Interconnection Agreement for Net Metering Facilities," the Customer-Generator must pay for a non-refundable application fee of $50.00. This fee includes the cost of inspection of the customer's electric generating facility if GPA deems such inspection is necessary.

Should GPA determine that an interconnection study is required; GPA will advise the customer of the estimated additional cost of performing such study. Upon payment by the customer of the estimated study costs, GPA will proceed with the interconnection study to determine if installation of the customer's electric generating facility will have significant impact on GPA's distribution system.

Should construction or upgrades of GPA's system be required in order to interconnect the customer's electric generating facility, additional charges to cover costs incurred by GPA shall be determined by GPA and paid by the customer.

The customer shall pay any additional charges, as determined by GPA, for equipment, labor, metering, testing or Inspections requested by the customer.

(Continued on Sheet NM-5)

(Continued from Sheet NM-4)

TECHNICAL REQUIREMENTS OF INTERCONNECTION:

The Customer-Generator shall agree to locate its Net Metering facility so as not to cause a hazard to GPA's existing distribution system. The Customer-Generator shall furnish and install equipment which will automatically isolate the Net Metering facility from GPA's system in the event of loss of GPA service as outlined in IEEE Standard 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."

The Customer-Generator will have to acknowledge its understanding that several small systems on one line have the potential of degrading GPA's system integrity; therefore, Customer-Generator must agree to accept pursuant to the "Standard Interconnection Agreement for Net Metering Facilities" the responsibility of any electric service problems that Customer-Generator's Net Metering facility may cause.

The Net Metering Installation shall comply with the requirements specified in IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and other technical requirements stated herein. The Customer-Generator shall furnish and install equipment which will properly match voltage and phase and synchronize power from the Net Metering facility with GPA service. All Net Metering facilities shall maintain a current distortion level of five percent or less as defined in Table 3 Section 4.3.3. of IEEE standard 1547. The customer installed equipment must adhere to current standards and codes, including but not limited to, IEEE 929, IEEE 1547, U.L. 1741, National Electric Code, uniform building codes, and other applicable standards and codes. IEEE publications are available from the Institute of Electrical and Electronics Engineers, 433 Hoes Lane, P.O. Box 1331, Piscataway, NJ 08855-1331 (http://standards.ieee.org/).

The standard IEEE 1547 contains the majority of the technical requirements necessary for interconnection; however, IEEE 1547 does not address planning, designing, operating, or maintaining a utility's distribution system and it does not identify or address all of the potential system impacts a proposed Net Metering Installation may create beyond the point of interconnection. Due to the limitations of IEEE 1547, additional technical requirements are contained herein.

To assure that the safety, reliability and power quality of the distribution system is not degraded by the interconnection of the Net Metering Installation the installation:

1) Shall comply with the Technical Requirements stated herein.
2) Any distribution system modifications and/or modifications to the Net Metering Installation identified by the Interconnection Study shall be completed.
3) Will be required to install correction equipment approved by GPA if the operation of the Customer-Generator's Net Metering facility adversely affects GPA's system or the quality of service supplied to other GPA customers.
4) Shall be operated and maintained as agreed upon by the parties.

EQUIPMENT DESIGN REQUIREMENTS:

Data for major equipment proposed by a Customer-Generator to satisfy the Technical Requirements must be submitted for review and approval by GPA with the completed Request for

(Continued on Sheet NM-6)

(Continued from Sheet NM-5)

Interconnection. To facilitate review and approval, GPA will maintain a list of Pre-certified Equipment. The List of Pre-certified Equipment will be available to Customer-Generators upon request and contains Pre-certified Equipment types, makes, and models of manufactured generating equipment and interconnection system components. This listing is based upon equipment certified by recognized national testing laboratories as suitable for interconnection with a distribution system based upon compliance with IEEE Standard 1547. Suitably for interconnection does not imply that Pre-certified Equipment may be interconnected without study to determine system impact.

The use of equipment that is not Pre-certified may delay GPA review and approval of the Customer-Generator's design. All interconnection equipment must be approved by GPA prior to being connected to its distribution system and before parallel operation is allowed.

ADDITONAL TERMS AND CONDITIONS:

In addition to the terms and conditions set forth in GPA's applicable rate schedules and/or on file with the Guam PUC, the following requirements will be adhered to:

1) Customers operating Net Metering Facilities will be required to contract under the terms of a "Standard Interconnection Agreement for Net Metering Facilities."

2) GPA will require the customer to sign a statement certifying that the customer is a Net Metering Facility and meets the requirements established by the Guam Public Utilities Commission.

3) GPA shall not be liable directly or indirectly for permitting or continuing to allow the attachment of a Net Metering Facility, or for the acts or omissions of the Customer-Generator that cause loss or injury, including death, to any third party.

4) The Contract Period for service under the NM Rider shall be one (1) year and thereafter shall be renewed for successive one-year periods.

5) After the initial period, customer may terminate service under the NM Rider by giving at least sixty (60) days previous notice of such termination in writing to GPA. GPA reserves the right to terminate service under the NM Rider at any time upon written notice to customer in the event that customer violates any of the terms or conditions of the NM Rider, or operates a Net Metering Facility in a manner which is detrimental to GPA or its customers.

ANNUAL REPORTING:

GPA shall submit an annual "net-metering" report to the PUC. The report shall be submitted by April 1st of each year, and shall include the following information for the previous compliance year:

1) Total number of Customer-Generator facilities;
2) Total estimated rated generating capacity of its "net metered" Customer-Generators;
3) Total net kilowatt-hours received from Customer-Generators; and
4) Total estimated amount of energy produced by Customer-Generators.

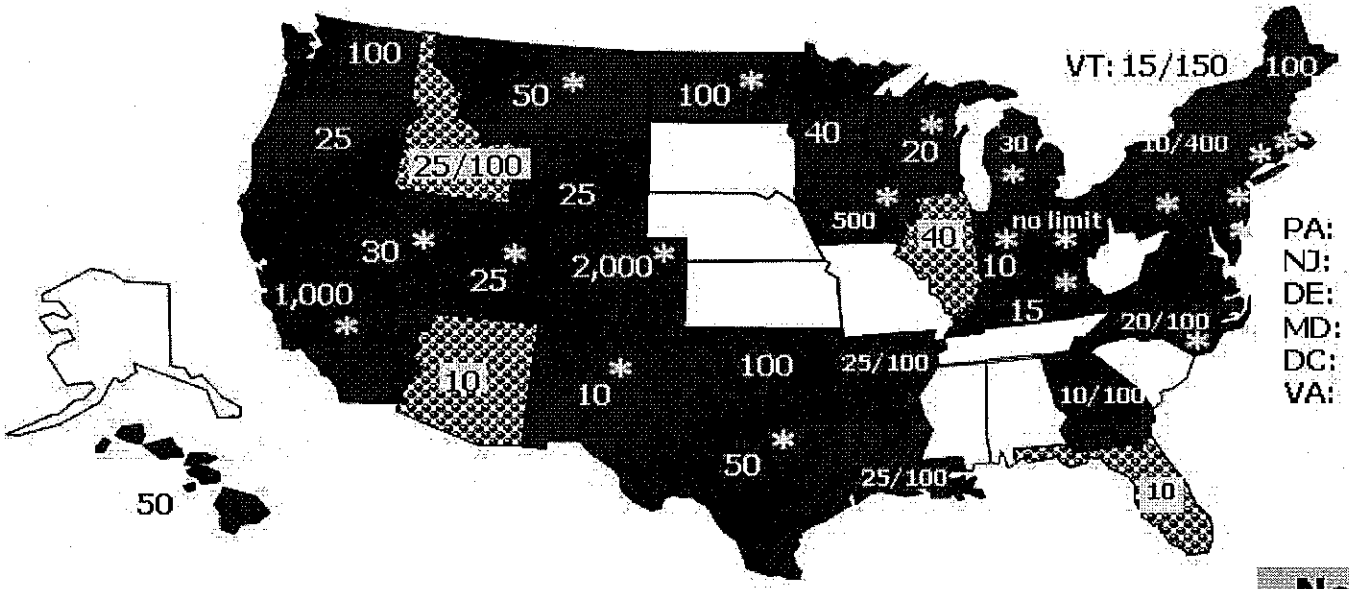
EXHIBIT B
MAINLAND NET METERING AVAILABILITY AND CAPACITY POLICIES

NC State University
North Carolina Solar Center

www.dsireusa.org

September 2006

Net Metering Rules



NH: 25
MA: 60
RI: 25
CT: 100

PA: 50/1,000/2,000
NJ: 2,000
DE: 25
MD: 500
DC: 100
VA: 10/500

Net metering is available in 40 states + D.C.

- State-wide net metering for all utility types
- State-wide net metering for certain utility types (e.g., IOUs only)
- Net metering offered by one or more individual utilities

#s indicate system size limit (kW); in some cases limits are different for residential and commercial as shown

IREC
INTERSTATE RENEWABLE ENERGY COUNCIL

EXHIBIT C
MAINLAND NET METERING RULES, REGULATIONS AND PROGRAMS

IREC
INTERSTATE RENEWABLE ENERGY COUNCIL

Interstate Renewable Energy Council (IREC) "Connecting to the Grid" Project
State and Utility Net-Metering Rules, Regulations and Programs

(Updated August 2007)

Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
Arizona - Arizona Public Service	100 kW / All customers	Solar, Wind, Biomass	15 MW	Credited at retail rate to customer's next bill; granted to utility at end of calendar year	(Utility guidelines)	Arizona Public Service
Arizona - Salt River Project	10 kW / Residential	Photovoltaics	None	Purchased monthly by utility at average monthly market price minus a price adjustment of $0.00017/kWh	(Utility guidelines)	Salt River Project
Arizona - Tucson Electric Power	10 kW / Commercial, Residential	Photovoltaics, Wind	500 kW peak aggregate	Credited to customer's next bill; granted to utility after January billing cycle	(Utility guidelines)	Tucson Electric Power
Arkansas	25 kW for residential systems; 300 kW for non-residential systems	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells, Microturbines	None	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
California	1 MW (three biogas digesters up to 10 MW per unit may net meter) / Commercial, Industrial, Residential	Photovoltaics, Landfill Gas, Wind, Anaerobic Digestion, Fuel Cells	2.5% of utility's peak demand	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities[1]
Colorado	2 MW / Commercial, Industrial, Residential	Solar, Landfill Gas, Wind, Biomass, Anaerobic Digestion, Small Hydro, Fuel Cells (Renewable Fuels)	None	Credited at retail rate to customer's next bill; at end of each calendar year, customer reimbursed for NEG at utility's average hourly incremental cost for the prior 12-month period	Yes	Colorado utilities serving 40,000 or more customers
Colorado - Delta-Montrose Electric Association	May not exceed customer's measured demand / Commercial, Residential	Photovoltaics, Wind, Biomass, Hydro	1 MW	Granted to utility monthly	Yes	Delta-Montrose Electric Association
Colorado - Empire Electric Association	10 kW / Commercial, Residential, Nonprofit, Schools, Agricultural, Institutional	Photovoltaics, Wind	50 customers	Utility pays customer at a rate equal to the average cost of power from the utility's wholesale supplier for that year, excluding wholesale power sold to loads billed under the utility's SCS tariffs	Yes	Empire Electric Association
Colorado - Fort Collins Utilities	10 kW / Residential	Photovoltaics, Wind	25 customers	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Fort Collins Utilities

[1] In California, all utilities – with the exception of Los Angeles Department of Water & Power (LADWP) – must offer net metering to customers with PV and wind-energy systems. (LADWP offers net metering voluntarily.) In addition, investor-owned utilities must offer net metering to customers with fuel cells and biomass-energy systems.

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

EXHIBIT C
MAINLAND NET METERING RULES, REGULATIONS AND PROGRAMS

IREC
INTERSTATE RENEWABLE ENERGY COUNCIL

Interstate Renewable Energy Council (IREC) "Connecting to the Grid" Project
State and Utility Net-Metering Rules, Regulations and Programs
(Updated August 2007)

Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
Colorado - Gunnison County Electric	10 kW / Commercial, Residential	Photovoltaics, Wind	50 customers	Purchased by utility at wholesale rate	Yes	Gunnison County Electric
Colorado - Holy Cross Energy	25 kW / Commercial, Industrial, Residential	Photovoltaics, Wind, Biomass, Hydro, Geothermal	None	Credited to customer's next bill at retail rate; purchased by utility at avoided-cost rate at end of calendar year	Yes	Holy Cross Energy
Colorado - La Plata Electric Association	25 kW / Commercial, Residential	Photovoltaics, Wind, Biomass, Hydro	1% of utility's aggregate customer peak demand	Credited at avoided-cost rate to customer's next bill; utility pays customer for any unused NEG at beginning of each calendar year	Yes	La Plata Electric Association
Connecticut	2 MW / All customers	Solar, Landfill Gas, Wind, Biomass, Fuel Cells, Municipal Solid Waste, Small Hydro, Tidal Energy, Wave Energy, Ocean Thermal	None	Credited to customer's next bill at retail rate; purchased by utility at avoided-cost rate at end of 12-month billing cycle	Yes	Investor-owned utilities
Delaware	25 kW for residential systems; 2 MW for non-residential customers of DP&L; 500 kW for non-residential customers of DEC and municipal utilities	Solar, Wind, Biomass, Hydro, Fuel Cells	1% of utility's aggregated customer monthly peak demand	Credited to customer's next bill at retail rate; at end of 12-month period, any remaining NEG is granted at the utility's avoided-cost rate to Delaware's Green Energy Fund	Yes (under revision)	All utilities (applies to cooperatives only if they choose to compete outside their limits)
District of Columbia	100 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Tidal, Fuel Cells, CHP, Microturbines	None	Credited at retail rate to customer's next bill	Yes	All utilities
Florida - Florida Keys Electric Cooperative	10 kW / Residential	Photovoltaics	None	Credited at retail rate to customer's next bill; purchased by utility at retail rate at end of 12-month period	Yes	Florida Keys Electric Cooperative
Florida - JEA	10 kW / Residential	Photovoltaics, Wind	None	Credited at retail rate to customer's next bill	(Utility guidelines)	JEA
Florida - Lakeland Electric	500 kW for commercial systems; 10 kW for residential systems	Photovoltaics	None	Credited at retail rate to customer's next bill; Indefinite carryover	(Utility guidelines)	Lakeland Electric

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

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State and Utility Net-Metering Rules, Regulations and Programs

(Updated August 2007)

Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
Florida - New Smyrna Beach Utilities	10 kW / Commercial, Industrial, Residential	Photovoltaics	None	Credited at retail rate to customer's next bill	(Utility guidelines)	New Smyrna Beach Utilities
Florida - Tallahassee Electric Utility	10 kW / Commercial, Residential	Photovoltaics	None	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	(Utility guidelines)	Tallahassee Electric Utility
Georgia	100 kW for commercial systems; 10 kW for residential systems	Photovoltaics, Wind, Fuel Cells	0.2% of a utility's annual peak demand	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Hawaii	50 kW / Commercial, Residential, Government	Photovoltaics, Wind, Biomass, Hydro	0.5% of a utility's annual peak demand	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Idaho - Idaho Power	100 kW for large commercial and agricultural; 25 kW for residential and small commercial	Solar, Wind, Biomass, Hydro, Fuel Cells	0.1% of utility's 2000 peak demand (in Idaho)	Credited to customer's next bill at utility's retail rate for residential and small commercial customers; credited at 85% of utility's avoided-cost rate for large commercial and agricultural customers	(Utility guidelines)	Idaho Power
Idaho - Rocky Mountain Power	100 kW for large commercial and agricultural; 25 kW for residential and small commercial	Solar, Wind, Biomass, Hydro, Fuel Cells	0.1% of utility's 2002 peak demand (in Idaho)	Credited to customer's next bill at utility's retail rate for residential and small commercial customers; credited at 85% of utility's avoided-cost rate for all other customers	(Utility guidelines)	Rocky Mountain Power
Idaho - Avista Utilities	25 kW / Commercial, Residential, Agricultural	Solar, Wind, Biomass, Hydro, Fuel Cells	0.1% of utility's 1996 peak demand (in Idaho)	Credited to customer's next bill at utility's retail rate; granted to utility at beginning of calendar year with no compensation to customer	(Utility guidelines)	Avista Utilities
Illinois - ComEd Wind and PV Generation Program	40 kW / All customers	Photovoltaics, Wind	0.1% of utility's annual peak demand	Purchased monthly by utility at avoided-cost rate; customer receives an annual incentive payment for production	(Utility guidelines)	ComEd
Indiana	10 kW / Residential, Schools	Photovoltaics, Wind, Small Hydro	0.1% of a utility's most recent peak summer load	Credited at retail rate to customer's next bill	Yes	Investor-owned utilities

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

EXHIBIT C
MAINLAND NET METERING RULES, REGULATIONS AND PROGRAMS

IREC
INTERSTATE RENEWABLE ENERGY COUNCIL

Interstate Renewable Energy Council (IREC) "Connecting to the Grid" Project
State and Utility Net-Metering Rules, Regulations and Programs

(Updated August 2007)

Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
Iowa	500 kW / Commercial, Industrial, Residential	Photovoltaics, Wind, Biomass, Hydro, Municipal Solid Waste	None	Credited at retail rate to customer's next bill	No	Investor-owned utilities
Kentucky	15 kW / All customers	Photovoltaics	0.1% of a utility's single-hour peak load during the previous year	Credited at retail rate to customer's next bill; indefinite carryover	No	Investor-owned utilities, cooperatives
Louisiana	100 kW for commercial and agricultural systems; 25 kW for residential systems	Photovoltaics, Wind, Biomass, Hydro, Geothermal, Fuel Cells (Renewable Fuels), Microturbines (Renewable Fuels)	None	Credited at retail rate to customer's next bill; indefinite carryover	Yes	All utilities
Louisiana - City of New Orleans	100 kW for commercial systems; 25 kW for residential systems	Photovoltaics, Wind, Biomass, Hydro, Geothermal, Fuel Cells (Renewable Fuels), Microturbines (Renewable Fuels)	None	Credited at retail rate to customer's next bill; indefinite carryover	Yes	Entergy New Orleans (and any other jurisdictional utilities)
Maine	100 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells, Municipal Solid Waste, CHP, Tidal Energy	None	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	No	All utilities
Maryland	2 MW / Commercial, Residential, Schools, Government	Photovoltaics, Wind, Biomass	1,500 MW	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Massachusetts	60 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, CHP, Fuel Cells, Municipal Solid Waste	None	Credited at average monthly market rate to customer's next bill	Yes	Investor-owned utilities
Michigan	30 kW / Commercial, Industrial, Residential, Nonprofit, Schools, Government, Agricultural, Institutional	Solar, Wind, Biomass, Hydro, Geothermal, Municipal Solid Waste	0.1% of a utility's peak load or 100 kW (whichever is greater)	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Various utilities (voluntary participation)

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Minnesota	40 kW / Commercial, Industrial, Residential	Photovoltaics, Wind, Biomass, Hydro, Municipal Solid Waste, CHP	None	Customer receives a check for NEG at the end of each month, calculated at the "average retail utility energy rate"	Yes	All utilities
Missouri	100 kW / All customers	Solar, Wind, Hydro	5% of a utility's single-hour peak load during the previous year	Credited at avoided-cost rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Montana	50 kW / Commercial, Industrial, Residential	Photovoltaics, Wind, Hydro	None	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Investor-owned utilities
Montana - Montana Electric Cooperatives	10 kW / Commercial, Residential	Photovoltaics, Wind, Geothermal, Fuel Cells, Small Hydro	None	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Most of MEC's 26 members
Nevada	1 MW[2] / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal	1% of a utility's peak capacity	Credited at retail rate to customer's next bill; indefinite carryover	Yes	Investor-owned utilities
New Hampshire	100 kW / Commercial, Industrial, Residential	All renewables	1% of a utility's annual peak demand	Credited at retail rate to customer's next bill; indefinite carryover	Yes	All utilities
New Jersey	2 MW / Commercial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells (Renewable Fuels), Tidal Energy, Wave Energy	None	Credited at retail rate to customer's next bill; purchased by utility at avoided-cost rate at end of 12-month billing cycle	Yes	Investor-owned utilities

[2] In Nevada, utilities are permitted to charge certain fees on systems greater than 100 kW.

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State and Utility Net-Metering Rules, Regulations and Programs

(Updated August 2007)

Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
New Mexico	80 MW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells, Municipal Solid Waste, CHP, Microturbines	None	Credited to customer's next bill at utility's avoided-cost rate or purchased by utility at avoided-cost rate monthly	Yes *(under development)*	Investor-owned utilities, cooperatives
New York	10 kW for residential or farm-based solar; 400 kW for farm waste; 125 kW for farm-based wind; 25 kW for residential wind	Photovoltaics, Biomass, Wind	Solar: 0.1% of a utility's demand in 1996;[3] farm biogas: 0.4% of a utility's demand in 1996; wind: 0.2% of a utility's 2003 demand	Credited to customer's next bill at retail rate, except NEG from wind systems over 10 kW, which is credited to customer's next bill at the utility's avoided-cost rate. NEG purchased by utility at avoided-cost rate at end of 12-month billing cycle.	Yes	All utilities
North Carolina	100 kW for non-residential systems; 20 kW for residential systems	Photovoltaics, Wind, Biomass, Hydro	0.2% of a utility's North Carolina retail peak load for the previous year	Credited to customer's next bill at retail rate; granted to utility annually at beginning of each summer season[4]	Yes	Investor-owned utilities
North Dakota	100 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Municipal Solid Waste, CHP	None	Purchased by utility at avoided-cost rate	No	Investor-owned utilities
Ohio	No limit specified (must be sized to match some or all of customer's load) / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Fuel Cells, Microturbines	1% of a utility's peak demand	Credited at utility's unbundled generation rate to customer's next bill; customer may request refund of NEG credits accumulated over a 12-month period	Yes	All competitive utilities
Ohio - Yellow Springs Utilities	25 kW / Commercial, Residential	Photovoltaics, Wind	None	Not addressed	(Utility guidelines)	Yellow Springs Utilities

[3] In December 2006, the New York Public Service Commission approved a request by Central Hudson Gas & Electric Corporation to raise the limit on aggregate net-metering capacity for PV systems in the utility's service territory. The PSC's decision increased Central Hudson's aggregate net-metering limit by 50% – from 800 kW to 1,200 kW.
[4] In North Carolina, customers are required to switch to a time-of-use tariff in order to net meter. This arrangement includes the separate carryover of on-peak NEG and off-peak NEG.

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Program	System Size Limit / Customer Classes Eligible	Eligible Technologies	Limit on Total Capacity	Treatment of Net Excess Generation (NEG)	Interconnection Standards for Net Metering	Utilities Involved
Oklahoma	100 kW or 25,000 kWh/year (whichever is less) / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Municipal Solid Waste, CHP	None	Granted to utility monthly or credited to customer's next bill at utility's avoided-cost rate (varies by utility)	No	Investor-owned utilities, cooperatives regulated by OCC
Oregon	2 MW for nonresidential systems; 25 kW for residential systems	Solar, Wind, Biomass, Hydro, Fuel Cells	None	Credited to customer's next bill at retail rate; credited to Oregon low-income assistance programs at end of each March billing cycle	Yes	Investor-owned utilities (PGE and PacifiCorp only)
Oregon - Ashland Electric	None / Commercial, Residential	Photovoltaics, Wind	None	Purchased by utility monthly at retail rate (1,000 kWh/month maximum)	(Utility guidelines)	Ashland Electric
Pennsylvania	5 MW for systems connected to microgrids or available for emergencies; 3 MW for nonresidential systems; 50 kW for residential systems	Solar, Wind, Biomass, Hydro, Fuel Cells, Municipal Solid Waste, CHP, Waste Coal, Other DG	None	Credited to customer's next bill at retail rate; PUC to address treatment of NEG remaining at end of 12-month period	Yes	Investor-owned utilities
Rhode Island	1.65 MW for systems owned by cities, towns or the Narragansett Bay Commission; 1 MW for all other customers	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells, Municipal Solid Waste, CHP	5 MW (1 MW reserved for systems under 25 kW)	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	(Utility guidelines)	Narragansett Electric
Texas	50 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Fuel Cells, Tidal Energy, Wave Energy, Microturbines	None	Purchased by utility monthly at avoided-cost rate	Yes	Integrated IOUs that have not unbundled
Texas - Austin Energy	20 kW / Commercial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Municipal Solid Waste	1% of utility's load	Credited to customer's next bill	(Utility guidelines)	Austin Energy
Utah	25 kW / Commercial, Industrial, Residential	Solar, Wind, Hydro, Fuel Cells	0.1% of a utility's 2001 peak demand	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Investor-owned utilities, cooperatives

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

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Utah - City of St. George	10 kW / All customers	Photovoltaics, Wind	None stated	Credited to customer's next bill at utility's avoided-cost rate; indefinite carryover	(Utility guidelines)	City of St. George
Utah - Murray City Power	10 kW / All customers	Photovoltaics, Wind, Hydro	None stated	Credited to customer's next bill at utility's retail rate; granted to utility each April	(Utility guidelines)	Murray City Power
Vermont	150 kW for farm systems; 15 kW for commercial and residential / Commercial, Residential, Agricultural	All renewables	1% of a utility's 1996 peak demand or peak demand during most recent calendar year (whichever is greater)	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Virginia	500 kW for non-residential; 10 kW for residential	Solar, Wind, Biomass, Hydro, Geothermal, Tidal, Wave, Municipal Solid Waste	1.0% of a utility's annual peak demand	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	Investor-owned utilities, cooperatives
Virgin Islands (U.S.)	10 kW / Commercial, Residential	Photovoltaics, Wind	5 MW on St. Croix; 10 MW on St. Thomas, St. John, Water Island and other territorial islands	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	U.S. Virgin Islands Water and Power Authority (WAPA)
Washington	100 kW / Commercial, Industrial, Residential	Solar, Wind, Hydro, Biogas, Fuel Cells, CHP	0.25% of a utility's 1996 peak load	Credited at retail rate to customer's next bill; granted to utility at end of 12-month billing cycle	Yes	All utilities
Washington - Grays Harbor PUD	100 kW / Commercial, Industrial, Residential	Solar, Wind, Hydro, Biogas, Fuel Cells, CHP	0.25% of utility's 1996 peak load	Credited at retail rate to customer's next bill; purchased by utility at 50% retail rate at end of 12-month billing cycle	Yes	Grays Harbor PUD
West Virginia	25 kW / Commercial, Residential	Photovoltaics, Landfill Gas, Wind, Biomass, Fuel Cells, Hydro	0.1% of a utility's total load participation	Credited to customer's next bill at utility's retail rate	Yes (*under development*)	All utilities
Wisconsin	20 kW[5] / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro, Geothermal, Municipal Solid Waste, CHP	None	Varies by utility. Generally credited at retail rate for renewables; generally credited at avoided cost for non-renewables.	Yes	Investor-owned utilities, municipal utilities

[5] In January 2006, the Wisconsin Public Service Commission approved a proposal by We Energies to offer net metering to customers with wind turbines greater than 20 kW but no greater than 100 kW in capacity. This offer is available to the first 25 eligible applicants.

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

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Wyoming	25 kW / Commercial, Industrial, Residential	Solar, Wind, Biomass, Hydro	None	Credited at retail rate to customer's next bill; purchased by utility at avoided-cost rate at end of 12-month billing cycle	Yes	All utilities

Sources: IREC "Connecting to the Grid" Project (www.irecusa.org/index.php?id=31) and the Database of State Incentives for Renewables and Efficiency (DSIRE) (www.dsireusa.org). Both projects are managed by the N.C. Solar Center at N.C. State University. Additional information, including statutory and regulatory authority citations, is available on the projects' web sites.

ORIGINAL

GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

September 17, 2008

Harry Boertzel, Esq. ALJ
Guam Public Utilities Commission
Suite 207, GCIC Building
Hagatna, GU 96932

Subject: GPA Response on GCG report
Implementation of a "Net Metering"

Dear Mr. Boertzel:

GPA has completed review of the GCG Staff Report on Net Metering and provides the following comments:

1. GPA recommends that net metering be limited to customers with usage no greater than 25 kW in accordance with Public Law 27-132. This will allow the use of existing 4-jaw and 5-jaw analog meters which are capable of turning in both directions (bi-directional) and can be utilized on a Net Metering System without purchasing additional metering equipment.
2. Sheet NM-3, paragraph 5, requires customers to maintain liability Insurance. Public law 27-132 states that the utility must not require the customer to purchase additional liability insurance. This should be resolved prior to adoption of a net metering policy/standard.

Other than the two comments above, GPA is in agreement with GCG's presentation of the subject matter. The Authority realizes that the procedural details still need to be settled. Therefore, GPA recommends the PUC review this matter at the next regulatory session and provide a reasonable schedule with action items to work towards adopting Customer-Generator Agreements, interconnection standards, engineering technical evaluation procedures as well as billing processes and other administrative matters.

Thank you for the opportunity to provide input on this critical matter.

Sincerely,

J.C. FLORES, P.E.
General Manager