



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

GUAM RENEWABLE ENERGY
ASSOCIATION COMPLAINT

) GPA DOCKET NO. 15-09

) ORDER
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INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the October 8, 2014 Letter addressed to the Guam Power Authority (“GPA”) from Guam Renewable Energy Association (“GREA”), which generally contends that customers are unable to identify credits for excess generation from their systems that are subject to Net Energy Metering (“NEM”) and that GPA may not be adequately tracking such information. The PUC has considered the instant filing a formal Complaint.

BACKGROUND

When the Guam Legislature enacted GPA’s net metering statutory scheme, the Legislature clearly expressed its intent “to combine new power-generation technologies with traditional power-generation systems in order to expand and safeguard the island’s electric supply, without the need for additional capital investment by the utility company.” P.L. 27-132, p. 2 (Dec. 30, 2004). The Legislature also unequivocally expressed its intent to “(a) encourage private investment in renewable energy resources; (b) stimulate economic growth; and (c) enhance the continued diversification of the renewable energy resources used on Guam.” *Id.*

The Legislature also entrusted the PUC with the authority to determine the rate for Net Excess Generation (“NEGs”). In particular, Section 8505(b)(3) of Title 12

provides that where “the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period, the customer-generator is entitled to compensation for electricity provided to the utility during the billing period at a rate to be determined by the Public Utility Commission.” P.L. 27-132, p. 5 (codified at 12 G.C.A. § 8505(b)(3)).

On December 29, 2008, the PUC approved and adopted the current Interim Net Metering Rider for Customer-Generator Energy Facilities, developed by both GPA and the Georgetown Consulting Group, Inc. (“Georgetown”), the PUC’s consultant.¹ Pursuant to this order, the PUC indicated that “at such time as the number of customer-generators availing themselves to the ‘net metering’ tariff approaches one-thousand (1,000) customers, the issue of whether a limitation should be imposed by Guam on the aggregate capacity eligible for ‘net metering’ treatment will be reviewed and examined by the PUC.”² In addition, the Net Metering Rider requires GPA to “submit an annual ‘net-metering’ report to the PUC” to 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 receive from Customer-Generators; and (4) Total estimated amount of energy produced by Customer-Generators.”³ On February 27, 2009, the PUC approved and adopted GPA’s Standard

¹ PUC Decision and Order, GPA Docket 08-08, p. 2 (Dec. 29, 2008).

² PUC Decision and Order, GPA Docket 08-08, pp. 2-3 (Dec. 29, 2008).

³ PUC Decision and Order, GPA Docket 08-08, “Exhibit A” (Dec. 29, 2008).

Interconnection Agreement for Net Metering Facilities, as well as GPA's Net Metering Program Interconnection Policy.⁴

Pursuant to the Rider, "[i]f 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."⁵ The Rider further provides that "[i]n no event shall the excess credit from a single month be carried forward beyond twelve (12) months as a credit against a 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."⁶

DETERMINATIONS

In the Complaint, GREA maintains that "[s]ince the energizing of Guam's first Solar Net Metered System we have heard the following questions . . .": "How do I know if I have generated or accumulated credits? How did I know if GPA is recording my production? And if so, is it accurate?" Complaint, p. 1. GREA further maintains that the power bill produced by the Residential Hawaiian Electric Co. indicates both energy production and credits. Complaint, p. 1. In sum, the Complaint contends that customers are unable to identify credits for excess generation from their systems that are subject to Net Energy Metering ("NEM") and that GPA may not be adequately tracking such

⁴ PUC Order, GPA Docket 08-10, p. 1 (Feb. 27, 2009).

⁵ *Id.*

⁶ *Id.*

information. Review of Guam Renewable Energy Association Complaint, filed by Lummus Consultants International (“Lummus”), GPA Docket 15-04 (“Report”), p. 1 (Feb. 19, 2015).

On February 19, 2015, Lummus issued its Report addressing the issues raised in the Complaint, as well as other issues raised by the Commission. In the Report, Lummus found the following. GPA relayed to the Lummus team that the current billing system could not handle the NEM and that a separate spreadsheet is used to track the production. Report, p. 2. However, GPA also indicated that a new billing system will be implemented this year that will better track and communicate NEM information to GPA customers. Report, p. 2. In its investigation, Lummus found that there were three (3) net metering customers with credit balances (as of September 30, 2014); twenty-five customers who received credits during April 2014 through September 2014; and that the total number of net metered customers was 134. Report, p. 2.

In addition, Lummus further found that GPA currently manually tracks NEM credits. Report, p. 2. Moreover, Lummus indicated that GREA and GPA entered into an agreement regarding the billing issues in November. Report, p. 2.

Lummus also examined the issue of whether NEM credits should expire after one (1) year. Lummus concluded that there is no reason why such credits should expire after a year. Report, p. 2. Lummus maintains that each jurisdiction has its own set of rules for when such credits expire; and that jurisdictions are split between a year-end expiration of the credits, a buy-out at the end of the year of such credits, or carry-over of such credits to the following year. Report, p. 2.

Lummus contends that allowing such credits to carry-over to the next year is a policy decision for the Commission, but that without storage capabilities, it is also a financial issue that may impact revenues and rates. Report, p. 3. The scope of the instant review, however, did not examine this policy. Report, p. 3. Lummus ultimately advised that the current NEM crediting system should not be altered until GPA implements a new billing system that is “fully capable of producing reliable information for customers and tracking necessary consumption and excess generation information.” Report, p. 3.

As a result of its investigation, Lummus recommended the following. First, Lummus recommended that GPA provide the Commission with more detailed and more regular reporting of NEM credit information. Lummus maintains that such information should be available as part of the new billing system being installed in early 2015 and GPA should provide the Commission with a sample report for review to verify that it meets the needs of the Commission prior to issuing the first report. Report, p. 3.

In addition, Lummus recommended that the Commission, along with GPA, should review and investigate the current means of handling credits on an annual basis. Customers currently lose all credits on an annual basis with no compensation. Alternatively, the parties may be able to arrive at some mutually agreeable system so that both GPA and its customers could benefit from the excess credits. Report, p. 3.

Finally, Lummus further recommended that GPA provide the Commission with a sample NEM bill, showing metering credits from the new billing system, for review and comment before such new billing format is finalized and implemented. Report, p. 3.

On February 24, 2015, the Administrative Law Judge of the PUC (the “ALJ”) issued an ALJ Report detailing his review of the instant matter. In the ALJ Report, the ALJ found that, based on Lummus’ investigation, it appeared that GPA and GREA had arrived at an agreement regarding billing issues. Lummus, however, believed that GPA should provide the Commission with more detailed and more regular reporting of NEM credit information and that such information should be available as part of the new billing system. Therefore, with respect to any new and additional reporting requirements, the ALJ will work with Lummus and GPA to determine what further information should be reported to the PUC.

With respect to whether the life of credits should extend over a year, the ALJ found that the Commission, along with GPA, should review and investigate the current means of handling such credits, as indicated by Lummus. Accordingly, the ALJ recommended that this issue should be revisited, if or when the Commission so desires to conduct a full investigation on this particular issue, along with any corresponding rate impact, to determine whether any change should be made to the current net metering policies.

Finally, with respect to GPA’s implementation of a new billing system, the ALJ recommended that GPA should provide the Commission with a sample NEM bill, showing metering credits from the new billing system, for review and comment before such new billing format is finalized and implemented.

The Commission hereby adopts the findings made in the February 24, 2015 ALJ Report and the February 18, 2015 Report prepared by Lummus and therefore issues the following:

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That, with respect to any new and additional reporting requirements, the ALJ shall work with Lummus and GPA to determine what further information should be reported to the PUC.

2. That, with respect to whether the life of credits should extend over a year, Lummus and the ALJ shall conduct an analysis and investigation of: (a) the desirability of any change to current net metering policies; (b) the legal impact of 12 GCA §8505 (b)(3) upon such issue; and (c) any corresponding rate impact. Lummus and the ALJ shall make appropriate recommendations to the Commission.

3. That with respect to GPA's implementation of a new billing system, GPA shall provide the Commission with a sample NEM bill, showing metering credits from the new billing system, for review and comment before such new billing format is finalized and implemented.

4. GPA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this docket. Assessment of the PUC's regulatory fees and expenses is authorized

pursuant to 12 G.C.A. §§ 12002(b) and 12024(b) (renumbered as 12 G.C.A. §§ 12103(b) and 12125(b)), and Rule 40 of the Rules of Practice and Procedure before the PUC.

SO ORDERED this 26th day of February, 2015.




JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ
Commissioner

JOSEPH M. MCDONALD
Commissioner

FILOMENA M. CANTORIA
Commissioner

MICHAEL A. PANGELINAN
Commissioner

PETER MONTINOLA
Commissioner

ANDREW L. NIVEN
Commissioner

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