

**PUBLIC UTILITIES COMMISSION  
OF GUAM**

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November 18, 2022

Senator Clynton E. Ridgell  
Chairperson  
Committee on Economic Development,  
Agriculture, Power and Energy Utilities,  
and the Arts  
238 Archbishop St.  
Suite 906 DNA Building  
Hagatna, GU 96910

Re: Testimony of Chairman Jeffrey C. Johnson, Guam Public Utilities Commission, on  
Bill No. 351-36(COR)

Dear Chairperson Ridgell:

The Guam Public Utilities Commission ["PUC"] appreciates the opportunity to comment on Bill No. 351-36(COR). The PUC supports the Bill for the reasons set forth in this Testimony.

There is one provision for which the PUC requests amendment. Sec. 8603 provides in part: "The Guam Power Authority (GPA) *shall* establish a Virtual Power Plant Program (VPPP) within nine (9) months of enactment or 90 days after approval by the Guam Public Utilities Commission (PUC).... Both enactment **and** approval by the PUC are required before GPA has an obligation to establish the program.

The proposed amendment is as follows: "The Guam Power Authority (GPA) *shall* establish

**a Virtual Power Plant Program (VPPP) within nine (9) months of enactment and approval by the PUC, or 90 days after approval by the Guam Public Utilities commission (PUC), whichever is earlier.**

The Legislative Findings for the Bill indicate that renewable energy produced by a Virtual Power Plant Program can provide renewable energy that is currently cheaper than power produced by fossil fuels. While such a program could result in some cost savings over fossil fuels, large utility scale solar plants are a less costly and more efficient means of providing solar energy to Guam.

Nevertheless, the PUC agrees that there are advantages which could result from the VPPP. At present the renewable energy produced by such a system would likely be less expensive than fossil fuel generation. There is an advantage in providing a mix, or diversity of solar generation sources in Guam, including utility scale generation, net-metering, and the Virtual Power Plant Program. The VPPP will contribute to the diversity of generation resources in Guam.

VPPP consists of a network of roof top solar photovoltaic systems and battery storage on the roof tops of homeowners, businesses, government agencies and non-profit organizations. At least initially, energy produced under the Program would be limited to 20MW. Another distinct advantage of VPPP is that it will utilize roof top space rather than occupy vacant land, which is a dwindling resource.

Under the program there will be a need for computers, rooftop solar systems, "aggregation software" that can control the production, storage and output of energy from the VPPP systems, and the required battery energy storage. These will be costs that will be borne by the Developers of the VPPP systems.

The PUC appreciates that the Bill maintains the role of the PUC in determining whether the VPPP program should be approved. The program provides that Solar Hosts will receive a credit on their electricity bill or otherwise compensated by GPA or Developer for the use of their roof tops: "the exact amount or rate of this solar host credit is to be determined by GPA with review and approval by the PUC." The independent role of the PUC in rate setting is preserved by the Bill.

In conclusion, the VPPP will result in a beneficial addition to the Guam Solar Energy Program. GPA should only be required to establish the VPPP within ninety days after it is approved by the PUC.

Thank you for your consideration of this Testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Johnson', with a long horizontal flourish extending to the right.

Jeffrey C. Johnson  
Chairman  
Guam Public Utilities Commission