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BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET NO. 24-03

NET METERING PROGRAM REVIEW

**PETITION OF THE GUAM POWER
AUTHORITY TO REVIEW 12 GCA
§ 8502(c)(2)(B) RELATIVE TO NET
METERING**

The Guam Power Authority (GPA) hereby files its petition requesting the PUC's approval to review 12 GCA § 8502(c)(2)(B) relative to the Net Metering Program.

I. Background.

This petition arises out of GPA Resolution No. FY2023-35, approved and adopted by the CCU to seek the PUC's action and input on the Net Energy Metering (NEM) Program created by Public Law 27-132 in 2004. *See* Ex. A (GPA Resolution No. FY2023-35). The law limits residential NEM customers to 25 kW, non-residential NEM customers to 100 kW, and places no limits on public schools except under certain circumstances. 12 GCA § 8502(c)(2)(A)-(C). The law assigned PUC the responsibility for setting net metering rates for excess renewable energy fed into GPA's distribution system. 12 GCA § 8506.

GPA's current NEM policy from 2008 provides for an unlimited net metering rider until the number of NEM customers exceeds 1,000. There are, as of March 2023, 2,496 NEM customers, well beyond the number set in the 2008 policy to trigger review. These NEM

1 customers generate over 32 kW of energy and receive an annual subsidy, in the form of a full
2 rate credit for all energy exported into the GPA grid, in the amount of approximately
3 \$5.2 million, comprised of costs—including islandwide power system operation, maintenance,
4 debt, and capital investment—borne by non-NEM customers. GPA successfully petitioned the
5 PUC to amend the net metering rider to zero out annually all NEM excess credits. *See* Ex. B
6 (GPA Docket No. 20-06).
7

8
9 Recently, *I Liheslaturan Guåhan* has introduced several proposed bills to amend the Net
10 Metering Program. According to GPA’s analysis, these proposed laws would likely have an
11 adverse effect on the islandwide power grid and rates.
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13 **II. Request for Action.**

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15 An immediate review of the current Net Metering rules and regulations and the proposed
16 legislative changes is necessary to ensure that the law serves the best interests of GPA and its
17 ratepayers. Other issues that need to be addressed include: revising the current Net Metering
18 Program to ensure the fair allocation of costs between NEM and non-NEM customers;
19 intermittency; storage and interconnection; and the incorporation of new renewable energy
20 programs, such as the Virtual Power Plant Program. GPA requests that the PUC undertake this
21 comprehensive review forthwith.
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2 Based on the foregoing, GPA seeks the PUC's review and update of the Net Metering
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4 Program, 12 GCA Art. 5; technical and financial impact studies; and recent proposed or passed
5 legislation which may affect the NEM Program. This action is reasonable, necessary, and
6 prudent.

8 | Respectfully submitted this 14th day of November 2023.

9 *Attorney for Guam Power Authority*

By: /s/
Marianne Woloschuk
GPA Legal Counsel



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
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GPA Resolution No. FY2023-35

RELATIVE TO THE REVIEW OF 12 GCA §8502(c)(2)(B) REGARDING NET METERING

WHEREAS, Guam Public Law 27-132 (December 2004) created Net Energy Metering (NEM) for Guam and assigned the Guam Public Utilities Commission (GPUC) the responsibility for setting the Net Metering Rate for excess renewable energy fed into GPA's Distribution System; and

WHEREAS, the GPUC is required to approve rules and regulations for the Net Metering Program, including the implementation of Net Metering Program Interconnection Policies; and

WHEREAS, the net metering generating capacity is limited to 25 kilowatts for GPA residential class customers, 100 kilowatts for non-residential class customers, and no limit for solar energy systems benefitting public school customers so long as there is no demonstrated adverse impact on GPA's system and does not exceed 80% of GPA's current billing charges¹; and

WHEREAS, the current GPA Net Metering Policy, established in December 2008² provides that GPA will make the net metering rider available to all customers without limitations until the number of Customer-Generator installations exceeds 1,000 customers; and

WHEREAS, as of March 2023, there are 2,496 NEM customer totaling 32,094 kilowatts of customer-generated energy; and

WHEREAS, NEM customers receive a full rate credit for all energy they export into the GPA grid and avoid paying their share of costs associated with the islandwide power system operation, maintenance, debt, and capital investment, amounting to approximately \$5.2 million of annual operating costs which is subsidized by non-NEM customers; and

WHEREAS, as of March 2023, there are 2,496 NEM customer totaling 32,094 kilowatts of customer-generated energy; and

WHEREAS, in October 2018, GPA petitioned the GPUC for modification of current Net Metering Rider from providing retail rate for net metering credits to avoided cost for net metering credits; and

¹ 12 GCA §8502(c)(2).

² GPUC GPA Docket 08-10.

1 **WHEREAS**, in March 2020, as a result of recommendations of the Joint Renewable Integration
2 Study (JRIS) with the U.S. Navy, GPA petitioned³ the GPUC to create a new Energy Storage Rate Schedule
3 to which new Net Energy Metering (NEM) customers may elect to pay instead of using a Frequency Control
4 Capability or an Energy Storage System (ESS) with the installation of a new solar PV or wind turbine
5 system; and

6 **WHEREAS**, in May 2020, GPA petitioned⁴ the GPUC to amend the Net Metering Tariff such that all
7 NEM excess credits are zeroed out annually; and

8 **WHEREAS**, GPA regularly renews its recommendation that the GPUC revise the current Net
9 Metering Program to ensure the fair allocation of cost responsibilities among NEM and non-NEM
10 customers, address intermittency, storage and interconnection issues, and incorporate new renewable
11 energy programs such as the Virtual Power Plant program; and

12 **WHEREAS**, *I Liheslaturan Guåhan* has introduced several proposed bills to amend the Net Metering
13 Program that are likely to negatively impact the islandwide power grid and rates; and

14 **WHEREAS**, an immediate and earnest review of the current Net Metering rules and regulations,
15 and the resulting changes are in the best interest of GPA and its ratepayers.

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³ GPUC denied GPA Docket No. 20-09, *Petition for Creation of New Energy Storage Rate*, reference CCU Resolution No. 2020-01, *Authorizing Management to Require All Future Utility-Scale and Net Metering Solar Photovoltaic (PV) and Wind Turbine Systems To Have Frequency Control Capability Or Energy Storage System (ESS) In Order To Be Tied Into The Island Power Grid*.

⁴ GPUC approved GPA Docket No. 20-06, *Petition to Amend Guam Power Authority's Net Metering Rider*; reference CCU Resolution No.

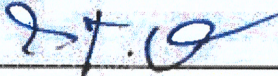
1 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, as
2 follows:

- 3 1. The General Manager of GPA is hereby authorized to petition the PUC for review and
4 update of the Net Metering program, as codified in Title 12, Guam Code Annotated,
5 Article 5; technical and financial impact studies; and recent proposed or passed
6 legislation which may affect the NEM program.

7
8 **RESOLVED**, that the Chairman certifies and the Secretary attests to the adoption of this
9 Resolution.
10

11 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th Day of September 2023.**

12 Certified by:

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14 
15 _____
16 JOSEPH T. DUENAS
17 Chairman
18 Consolidated Commission on Utilities
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Attested by:

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22 _____
23 PEDRO ROY MARTINEZ
24 Secretary
25 Consolidated Commission on Utilities
26

27 I, Pedro Roy Martinez, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced
28 by my signature above do certify as follows:

29 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting
30 of the members of Guam Consolidated Commission on Utilities, duly and legally held at a place
properly noticed and advertised at which meeting a quorum was present and the members who were
present voted as follows:

Ayes:

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Nays:

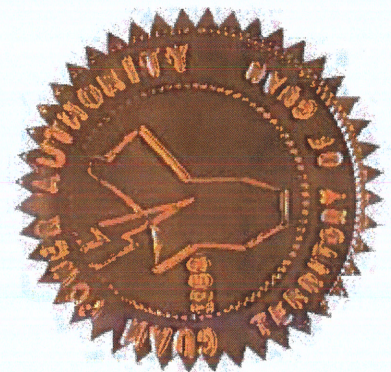
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Abstain:

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Absent:

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BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**PETITION TO AMEND GUAM
POWER AUTHORITY'S NET
METERING RIDER**

GPA DOCKET 20-06

ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the December 6, 2019 Petition to Amend GPA's Net Metering Rider, filed by the Guam Power Authority ("GPA") (hereinafter referred to as the "Petition").

On March 23, 2020, the Administrative Law Judge of the PUC (the "ALJ") assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

A. Net Metering

Net metering, or net energy metering ("NEM"), is essentially a billing system that credits small customers at the full retail electric price for any excess electricity they generate and sell to the utility via the grid from on-site small sources such as residential rooftop solar arrays.¹

¹ See "Net Energy Metering—Are We Capitalists Or What?," James Conca, Forbes.com, found at <https://www.forbes.com/sites/jamesconca/2014/11/28/net-energy-metering-are-we-capitalists-or-what/#5e40cd9e2fbf> (Nov. 28, 2014).

NEM has served as a solar incentive that allows customers to store energy in the electric grid. For instance, when solar panels produce more electricity than needed, that energy is sent to the grid in exchange for credits. Then at night, or other times when the solar panels are under producing, energy is pulled from the grid and the use of such credits offset the costs of that energy.² In Guam, as of this February, there are 2,081 net metering customers.³

B. GPA's Net Metering Rider

On December 29, 2008, the PUC approved and adopted the current Interim Rider for Customer-Generator Energy Facilities, developed by both GPA and the Georgetown Consulting Group, Inc. ("Georgetown").⁴ On February 27, 2009, the PUC approved and adopted GPA's Standard Interconnection Agreement for Net Metering Facilities, as well as GPA's Net Metering Program Interconnection Policy.⁵ On December 10, 2015, the PUC amended the Net Metering Rider to allow customers an option to rollover annual credits indefinitely or request payment for the credits remaining in the account.

C. Public Hearings

On February 24, 25, and 26, 2020, duly-noticed public hearings were held in the villages of Dededo, Agat, and Hagåtña, pursuant to the Ratepayer Bill of Rights, to take

² See <https://www.energysage.com/solar/101/net-metering-for-home-solar-panels/>.

³ GPA's Response to Request for Information, GPA Docket 20-06, p. 1 (Mar. 18, 2020).

⁴ PUC Decision and Order, GPA Docket 08-08, p. 2 (Dec. 29, 2008).

⁵ PUC Order, GPA Docket 08-10, p. 1 (Feb. 27, 2009).

testimony related to GPA's proposed amendment to the Net Metering Rider. No member of the public participated in the public hearings and no comments were received by the PUC.

D. GPA's Request to Terminate the Indefinite Rollover of Customer Credits

In its Petition, GPA requests that the PUC amend its Net Metering Rider "such that all NEM excess credits are zeroed out annually."⁶ Basically, GPA requests that the Net Metering Rider be amended to state that "[a]t 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 GPA without compensation to the customer," which was the language in the past.

In support of its Petition, GPA has included Resolution No. 2019-20 issued by the Consolidated Commission on Utilities ("CCU"), which maintains the following. The Resolution indicates that:

NEM customers receive services from the grid subsidized by non-NEM customers including but not limited to: (1) Use of the grid to sell power (get credit at full retail rate for excess production); (2) Use of the grid to energize their homes at night; (3) Frequency regulation absorbed by grid for intermittencies; (4) Reactive power supply; (5) Voltage regulation; and (6) Standby power on overcast days when the sun does not shine.⁷

In addition, GPA also maintains that based on the number of its net metering customers, this results in "an approximate \$3,527,745 annual subsidy going forward."⁸

⁶ Petition, GPA Docket 20-06, p. 1.

⁷ Resolution No. 2019-20, p. 1 (Nov. 26, 2019).

⁸ Resolution No. 2019-20, p. 1.

The Resolution further indicates that “the payment or carry over of excess credits tend to encourage net metering customers to install larger capacity which results in receiving payments for excess energy thereby resulting in increased cost to non-NEM customers.”⁹ It goes on to state that “in other jurisdictions NEM excess credits are zeroed out annually.”¹⁰

In response to questions posed in a Request for Information issued by the ALJ, GPA submits that the roughly \$3.5 million “subsidy” it’s claiming “was calculated by multiplying the estimated solar production by the under-recovery subsidy.”¹¹ According to GPA, “[t]he estimated solar production takes into account the annual degradation of the solar panels and an estimated 1794kWh of installed capacity.”¹² And that the “under-recovery subsidy” is the “difference between the retail rate per kWh and the calculated value of the solar rate on the estimated solar production.”¹³

In addition, GPA further submits that there are some NEM customers who “are applying for new accounts for the same building where one account had long existed. These customers then install multiple NEM systems on the same building to skirt the 100KW commercial NEM limit.”¹⁴ GPA contends that these types of systems “will produce greater

⁹ Resolution No. 2019-20, p. 2.

¹⁰ Resolution No. 2019-20, p. 2.

¹¹ GPA’s Response to Request for Information, GPA Docket 20-06, p. 1.

¹² GPA’s Response to Request for Information, GPA Docket 20-06, p. 1.

¹³ GPA’s Response to Request for Information, GPA Docket 20-06, p. 1.

¹⁴ GPA’s Response to Request for Information, GPA Docket 20-06, p. 2.

overall net excess generation for the same building, and result in greater net excess generation liabilities for GPA”¹⁵

E. Public Laws on Net Metering

1. Public Law 27-132.

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.*

Pursuant to the net metering statutes, the Legislature also entrusted the PUC with the authority to determine the rate for NEG’s [Net Excess Generation]. 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)).

¹⁵ GPA’s Response to Request for Information, GPA Docket 20-06, p. 2.

2. Public Law 29-62.

Pursuant to Public Law 29-62, the Legislature stated that it requires “the development of renewable energy production and decrease [] total reliance on oil for electricity production.” P.L. 29-62, p. 2 (Apr. 4, 2008). Accordingly, the Legislature amended GPA’s net metering statute to require GPA to “immediately implement an interim, emergency net metering rate structure wherein Customer generators *shall* be entitled to receive immediate credit for one hundred percent (100%) of the power generation capacity based on the specifications of the generation equipment installed times the rate of the Guam Power Authority currently charges the customer until such time that GPA submits a rate structure to the PUC for the net metering program and it is approved by the PUC. The interim rate *shall* be subject to PUC revocation at any time.” *Id.* at 4 (codified at 12 G.C.A. §8506) (emphases in original).

C. Georgetown’s August 27, 2013 Report

In a report issued back in August 27, 2013, Georgetown, one of the PUC’s consultants for utility matters, maintained that “[t]he interim net metering rider currently in effect and approved by the GPUC is based on an industry accepted approach to the balancing of interest necessary to maximize the renewable capacity from customer-generators availing themselves to ‘net-metering’ and the impact to other customers subsidizing the distribution and other related costs avoided by net metered customers who qualify for the interim net meter rider.”¹⁶

¹⁶ Report of Georgetown Consultants Group, Inc. (“Georgetown Report”), p. 45 (Aug. 27, 2013).

Georgetown further submitted that presently, “most mainland regulatory jurisdictions continue to credit NEG to the grid at the full retail energy rate (either through billing credits of kWh offsets) on the customer bill with any excess kWhs credited to the customer’s next bill and any NEG credits remaining at the end of the calendar year either being granted to the utility at no cost or . . . an increasing number of jurisdictions require some form of payment (28).”¹⁷

F. Other Jurisdictions

As indicated in GPA’s petition, the majority of jurisdictions that offer NEM credits do not employ an indefinite rolling over of credits. Many jurisdictions offer a monthly rolling-over of credits that terminate at the end of the billing year.

1. California.

Generally, utilities in California provide compensation for NEM credits to its customers at the end of a twelve (12) month period. “Customers that generate a net surplus of energy at the end of a twelve-month period can receive a payment for this energy under special utility tariffs.”¹⁸

2. Florida.

In Florida, credits do not carry over across calendar years because of Florida’s net metering policies. For credits at the end of the year, a cash credit will be offered on the January bill.¹⁹

¹⁷ Georgetown Report, p. 47.

¹⁸ See https://www.gosolarcalifornia.ca.gov/solar_basics/net_metering.php.

¹⁹ See <https://www.energysage.com/net-metering/fpl/>.

3. **Kansas.**

“Any NEG credit remaining in a net metering customer's account on March 31 of each year shall expire.”²⁰

4. **Arizona.**

Based on an April 12, 2018 recommendation by the chief administrative law judge of the Arizona Corporation Commission, this particular utility rate-making body ordered that “*new customer-generators will not be permitted to bank credits associated with exported energy.*”²¹

For existing rate payers, “customers interconnecting to the utility’s distribution system prior to the effective date of the decision implementing the new export compensation rate in each utility’s rate case,” these rate payers “will be grandfathered under the former net metering rules for a period of 20 years.”²² These “old” rate payers are credited according to the following: NEG remaining at the customer’s last monthly bill in the annual true-up period will be paid to the customer, via check or billing credit, at the utility’s avoided cost payment.²³

5. **Oregon.**

²⁰ See <https://kcc.ks.gov/electric/net-metering-in-kansas>

²¹ See <http://programs.dsireusa.org/system/program/detail/3093>.

²² See <http://programs.dsireusa.org/system/program/detail/3093>.

²³ See <http://programs.dsireusa.org/system/program/detail/3093>.

In Oregon, “any remaining unused kilowatt-hour credit accumulated during the previous year shall be granted to the electric utility for distribution to customers enrolled in the electric utility’s low-income assistance programs, credited to the customer-generator or dedicated for other use as determined by the commission” 2017 O.R.S. 757.300(3)(d).

6. Pennsylvania.

At the end of each 12-month billing cycle, utilities will compensate net-metered generators for their excess credits at the “price-to-compare,” which is the retail price of the electricity minus the distribution component.²⁴

7. Vermont.

“Credits will remain on the account for 12 months to be applied to future bills. If a credit is not used within 12 months of the time it’s generated, it will expire.”²⁵

8. Washington.

Any excess is credited to customer’s next bill at retail rate; and then granted to the utility at end of a twelve (12) month billing period.²⁶

9. Puerto Rico.

Customers with excess credits remaining at the end of a twelve (12) month period are compensated as follows: seventy-five percent (75%) of the excess credits are purchased by Puerto Rico Electric Power Authority (“PREPA”) at a rate of \$0.10 per kWh

²⁴ See <https://www.solarunitedneighbors.org/pennsylvania/learn-the-issues-in-pennsylvania/net-metering-in-pennsylvania/>.

²⁵ See <https://www.vermontelectric.coop/programs-services/net-metering>.

²⁶ See <https://programs.dsireusa.org/system/program/detail/42>

or “the amount resulting from the subtraction of the adjusted fuel fee based on the variable costs incurred by the public corporation exclusively for the purchase of fuel and energy, from the total price charged by the public utility to its customers, converted into kilowatt-hours, whichever is greater.”²⁷ The remaining 25% is returned to the utility to distribute as a credit or reduction applied to the electricity bills of public schools.²⁸

10. American Samoa and the U.S. Virgin Islands.

In both American Samoa and the U.S. Virgin Islands, any net excess generation (NEG) produced by a customer is credited at the utility’s full retail rate and carried forward to the customer’s next monthly bill. At the end of a 12-month period, any remaining NEG is granted to the utility.²⁹

11. CNMI

Lastly, in the CNMI, excess electricity production is credited to the customer’s bill at retail rate.³⁰ Any excess remaining after a twelve (12) month billing period is credited at fifty percent (50%) of the retail rate.³¹

G. NEM’s Impact on Demand Side Management

²⁷ <http://energy.gov/savings/puerto-rico-net-metering>; http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=PR02R;

²⁸ <http://energy.gov/savings/puerto-rico-net-metering>; http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=PR02R;

²⁹ See <https://programs.dsireusa.org/system/program/detail/3218>; <https://programs.dsireusa.org/system/program/detail/2507>.

³⁰ See <https://programs.dsireusa.org/system/program/detail/5556>.

³¹ See <https://programs.dsireusa.org/system/program/detail/5556>.

In the ALJ's March 12, 2020 Request for Information, the ALJ requested information concerning NEM's impact, if any, on GPA's Demand Side Management ("DSM") energy efficiency program. In response, GPA indicated that its DSM energy efficiency program "targets include energy and peak demand reductions."³² GPA submits that "[e]nergy reductions result in less fuel not being burned" and other "variable operations and maintenance expenses."³³ GPA maintains that "[p]eak demand reductions, over time, result in generation capacity savings and may also result in potential fuel cost savings."³⁴ In addition, "[o]ver time, peak demand reductions result in generation capacity savings by lowering the peak generation requirement."³⁵

In response to NEM's impact on DSM, GPA maintained that "NEM without energy-shifting storage does not reduce GPA's peak demand because GPA's system peaks at night when the solar resource is not available."³⁶ GPA submits that, as a result, "NEM cannot save GPA capacity costs."³⁷ GPA adds that "NEM energy savings resulting in economic savings to the grid only apply to net excess generation"; and that particularly, "NEM customers are allowed to swap/credit energy produced by their system during the day for energy produced by GPA at night."³⁸ GPA submits that "[t]his one-to-one swap does

³² GPA's Response to Request for Information, GPA Docket 20-06, p. 5.

³³ GPA's Response to Request for Information, GPA Docket 20-06, p. 5.

³⁴ GPA's Response to Request for Information, GPA Docket 20-06, p. 5.

³⁵ GPA's Response to Request for Information, GPA Docket 20-06, p. 5.

³⁶ GPA's Response to Request for Information, GPA Docket 20-06, p. 6.

³⁷ GPA's Response to Request for Information, GPA Docket 20-06, p. 6.

³⁸ GPA's Response to Request for Information, GPA Docket 20-06, p. 6.

not account for energy produced at night,” which it adds is “often more expensive than that produced during the day when GPA operates peaking units to meet the peak load.”³⁹

H. Criticism Regarding NEM Roll-Over Credits

NEM crediting policies have been criticized as having an adverse impact on grid services. A report by the California Public Utilities Commission found that “non-solar customers in the state face over \$1 billion annually in higher costs because of net metering.”⁴⁰

The criticism is that “[w]hen normal consumers pay their electric bill, part of the bill is for the electricity they actually used, but the other part goes to maintaining the grid, referred to as grid services.”⁴¹ It is argued that these particular customers “are not ever ‘off the grid,’ ‘even if they’re making more energy than they consume.’”⁴²

Indeed, Georgetown too has indicated that “[w]hile there is unarguably a potential subsidization of ‘net metering’ customers by other customers, the PUC found that the potential benefits in the near-term as the renewable industry grows in Guam outweighed

³⁹ GPA’s Response to Request for Information, GPA Docket 20-06, p. 6.

⁴⁰ See “Net Energy Metering—Are We Capitalists Or What?,” James Conca, Forbes.com, found at <https://www.forbes.com/sites/jamesconca/2014/11/28/net-energy-metering-are-we-capitalists-or-what/#5e40cd9e2fbf> (Nov. 28, 2014).

⁴¹ See “Net Energy Metering—Are We Capitalists Or What?,” James Conca, Forbes.com, found at <https://www.forbes.com/sites/jamesconca/2014/11/28/net-energy-metering-are-we-capitalists-or-what/#5e40cd9e2fbf> (Nov. 28, 2014).

⁴² See “Net Energy Metering—Are We Capitalists Or What?,” James Conca, Forbes.com, found at <https://www.forbes.com/sites/jamesconca/2014/11/28/net-energy-metering-are-we-capitalists-or-what/#5e40cd9e2fbf> (Nov. 28, 2014).

these concerns.”⁴³ In addition, GPA has consistently believed that NEM customers do not pay “their full share of the system’s cost to serve” and that cost recovery for demand is based in “the energy component of residential rates.”⁴⁴

The ALJ found that the PUC is authorized to determine the rate for energy “generated by the customer-generator which is fed back to the utility [that] exceeds the electricity supplied by the utility during the billing period”; and, therefore, how such rate is assessed. 12 G.C.A. § 8505(b)(3).

Based on a review of other jurisdictions, public utilities have provided customers whose usage results in a net credit to their accounts may be compensated financially or through a rolling credit. As shown above, many stateside jurisdictions, as well as other territories of the U.S., require that any net excess generation held as a credit by the customer at the end of a 12-month period, is given to the utility.⁴⁵ Accordingly, the zeroing out of credits after a calendar year is reasonable given its widespread practice, and in light of the “potential subsidization of ‘net metering’ customers by other customers.”⁴⁶

In addition, with respect to NEM’s impact on Demand Side Management, “NEM cannot save GPA capacity costs”⁴⁷; that “NEM customers are allowed to swap/credit

⁴³ Georgetown Report, p. 46 (Aug. 27, 2013).

⁴⁴ GPA’s Response, p. 21 (Nov. 30, 2015).

⁴⁵ See <https://programs.dsireusa.org/system/program/detail/3218>; <https://programs.dsireusa.org/system/program/detail/2507>.

⁴⁶ Georgetown Report, p. 46 (Aug. 27, 2013).

⁴⁷ GPA’s Response to Request for Information, GPA Docket 20-06, p. 6.

energy produced by their system during the day for energy produced by GPA at night,”⁴⁸ which is ostensibly “more expensive than that produced during the day when GPA operates peaking units to meet the peak load.”⁴⁹

Based on the discussion above, and based on the record before the Commission, including the authorities reviewed herein, the ALJ recommended that the PUC amend GPA’s Net Metering Tariff such that all NEM excess credits are zeroed out annually.

In particular, the Net Metering Tariff shall be amended to state:

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 billing. 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 GPA without compensation to the customer.

This scheme still corresponds with the intent of the Legislature when it enacted GPA’s net metering statutes, which is 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.” P.L. 27-132, p. 2 (Dec. 30, 2004).

In light of the PUC’s commitment to encouraging renewable energy investment, the ALJ proposed that GPA implement this revision on January 1, 2021.

~~Accordingly, the affected language of the current Net Metering Rider shall expire on~~
December 31, 2020.

⁴⁸ GPA’s Response to Request for Information, GPA Docket 20-06, p. 6.

⁴⁹ GPA’s Response to Request for Information, GPA Docket 20-06, p. 6.

The Commission hereby adopts the findings made in the March 23, 2020 ALJ Report, 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 the instant Petition is hereby APPROVED.
2. That the Net Metering Rider shall be amended to state “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 billing. 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 GPA without compensation to the customer.” The amendment shall be effective January 1, 2021.
3. 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 matter. Assessment of the PUC’s regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

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[SIGNATURES TO FOLLOW ON NEXT PAGE]


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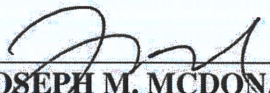
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SO ORDERED this 28th day of May, 2020.




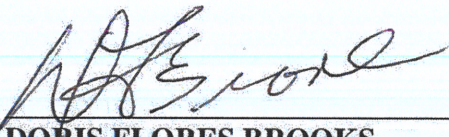
JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ-CAMACHO
Commissioner

JOSEPH M. MCDONALD
Commissioner

PEDRO GUERRERO
Commissioner

MICHAEL A. PANGELINAN
Commissioner

PETER MONTINOLA
Commissioner

DORIS FLORES BROOKS
Commissioner

P203013.JRA

Selma HG Blas

From: Marianne Woloschuk
Sent: Tuesday, November 14, 2023 5:51 PM
To: Selma HG Blas
Subject: FW: GPA / GWA Request for PUC Agenda Matters for November 2023
Attachments: 23-11-14_PUC Pet GPA Dkt 24-03 Review 12 GCA § 8502(c)(2)(B) re net mete....pdf; 23-11-14_PUC Pet GPA Dkt 24-04 Unarmed Uniform Security Service.pdf; 23-11-14_PUC Pet GPA Dkt 24-05 ULSD Contract Award.pdf; 23-11-14_PUC Pet GPA Dkt 24-07 Procure 40MW Temp Power.pdf

From: Marianne Woloschuk
Sent: Tuesday, November 14, 2023 5:50 PM
To: 'Colleen Chlarson' <cchlarson@guampuc.com>; Rojas, Theresa Victoria Gumataotao <tgrojas@guamwaterworks.org>; lpalomo@guampuc.com
Cc: DeSoto, Jeramine Sbal Drake <jsdesoto@guamwaterworks.org>; Quan, Nicole Ballesta <nicole@guamwaterworks.org>
Subject: RE: GPA / GWA Request for PUC Agenda Matters for November 2023

Hello, Ms. Colleen! Attached are GPA Docket Nos. 24-03, -04, -05, & -07. Thanks, -Marianne

From: Colleen Chlarson [<mailto:cchlarson@guampuc.com>]
Sent: Tuesday, November 14, 2023 9:08 AM
To: Rojas, Theresa Victoria Gumataotao <tgrojas@guamwaterworks.org>; lpalomo@guampuc.com
Cc: Marianne Woloschuk <mwoloschuk@gpagwa.com>; DeSoto, Jeramine Sbal Drake <jsdesoto@guamwaterworks.org>; Quan, Nicole Ballesta <nicole@guamwaterworks.org>
Subject: RE: GPA / GWA Request for PUC Agenda Matters for November 2023

Good morning:

Just following up. Please advise. Thank you.

Sincerely,

Colleen Nichole S. Chlarson, *Administrative Assistant*

GUAM PUBLIC UTILITIES COMMISSION

414 West Soledad Avenue
GCIC Building, 2nd Floor, Suite 207
Hagåtña, Guam 96910
Website: <https://guampuc.com/>

2. **GWA Docket 24-02: Petition to Authorize GWA to Increase Funding to It's Contract with JMI-Edison for Submersible Pumps and Motors for GWA Deep Wells; ALJ Report; and Proposed Order**
3. **GWA Docket XX-XX: Petition to Authorize the Issuance and Sale of GWA's Water and Wastewater System Revenue Refunding Bonds, on a Current and Forward Delivery Basis, And to Approve Related Documents**

Please share any concern or questions. Thank you.



Theresa G. Rojas, Esq.

Legal Counsel

Guam Waterworks Authority

Ste 200, Gloria B. Nelson Public Service Building

688 Route 15

Mangilao, Guam 96913

Work (671) 300-6853

tgrojas@guamwaterworks.org

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