UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

35GL-19-1220
Speaker Tina Rose Muña Barnes

NOV 12 2019
Time 5:46 ( )AM (X)PM
Received By: AA

November 12, 2019

HONORABLE TINA ROSE MUÑA BARNES
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96932

2019 NOV 13 AM 8:21

Re: Bill No. 80-35 (COR) – *An Act to Amend § 8311 of Article 3, Chapter 8, Title 12, Guam Code Annotated, Relative to Raising the Renewable Portfolio Standards of the Guam Power Authority*

Dear Madame Speaker:

I applaud the 35th Guam Legislature's committed pursuit to renewable energy technology and its willingness to set bold goals for the Guam Power Authority's energy portfolio. Though Pacific Island communities contribute the least to the negative impacts of global warming, Pacific peoples have seen their land recede, their soil salted, and their wealth spent.

This is why measures like this are so important. By setting these goals and compelling ourselves to meet them, we secure cleaner energy for our children and a stronger economy for our island. Guam sends as much as three hundred sixty-five million dollars ($365,000,000.00) a year to foreign economies in exchange for fossil fuels. That figure represents capital flight, which if avoided would contribute to our economic growth, increase investment, and sustain new employment.

Moreover, Guam uniquely understands that tensions throughout the region have a direct impact on the price of fuel sent to Guam. With this measure, and others like it, we make Guam more secure because our energy future will be less dependent on one of the most volatile substances on earth.

1220

We are morally obligated to secure the future by planning for it today. Efforts like this measure matched with this administration's commitment to zero-waste industries, sustainable development goals, and a green economy chart our course to a better tomorrow.

I am proud to advance this work by signing this bill into law as **Public Law No. 35-46.**

Senseremente,

LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

Enclosure(s): Bill No. 80-35 *nka* Public Law 35-46

cc via email: *Sigundo Maga'låhen Guåhan*
Compiler of Laws

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 80-35 (COR), "AN ACT TO *AMEND* § 8311 OF ARTICLE 3, CHAPTER 8, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO RAISING THE RENEWABLE PORTFOLIO STANDARDS OF THE GUAM POWER AUTHORITY,"** was on the 31st day of October 2019, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 31st day of October, 2019, at 5:55 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 11/12/2019

Public Law No. 35-46

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 80-35 (COR)
As amended by the Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response; and further amended on the Floor.

Introduced by:

Amanda L. Shelton
Clynton E. Ridgell
Régine Biscoe Lee
Tina Rose Muña Barnes
Sabina Flores Perez
Therese M. Terlaje
William M. Castro
Jose "Pedo" Terlaje
Telena Cruz Nelson
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Joe S. San Agustin
Telo T. Taitague
Mary Camacho Torres

AN ACT TO *AMEND* § 8311 OF ARTICLE 3, CHAPTER 8, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO RAISING THE RENEWABLE PORTFOLIO STANDARDS OF THE GUAM POWER AUTHORITY.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that the renewable portfolio standards found in § 8311 of Article 3, Chapter 8, Title 12, Guam Code Annotated, were set over ten (10) years ago by the enactment of Public Law 29-62. Due to advancements in technology and innovation, and the hard

work of the employees of the Guam Power Authority (GPA), the goal of twenty-five percent (25%) net electricity sales from renewable energy has nearly been met more than fifteen (15) years before its target date of 2035.

I Liheslatura further finds that the continuing advancement in technology for renewable energy, and the expansion of services that reduce reliance on fossil fuels has spurred global interest in addressing climate change issues, access to affordable energy solutions, economic development, and job growth.

I Liheslatura recognizes that GPA anticipates total generation capacity from renewable energy sources to produce more than two hundred megawatts (200 MW) of energy from renewable sources, to include technology that is capable of providing storage for shifting energy produced for use in the evening hours. Industry outlook across the nation suggests that continual improvements in solar energy technology to address intermittency and energy shifting will be able to meet total generation needs.

The United States Energy Information Administration's Annual Outlook 2019 report forecasts a continual increase in the cost of oil over the next thirty (30) years. Meanwhile, renewable energy costs have dropped significantly in recent years and have already proved to be less expensive than fossil fuel-based power production. Local renewable industry experts on Guam have testified that all forecasts indicate that renewable energy technologies will continue to improve and continue to decrease in price. A majority of the cost of power production on Guam is attributed to fuel costs. Guam does not possess any natural resources that can produce fuel other than renewable resources. Guam's energy production costs and capabilities are currently at the mercy of the very volatile international fossil fuel market.

The money spent on purchasing fossil fuels for power production leaves the local economy and increases the island's capital flight. Any money saved on purchasing fuel for power production would stay in the local economy. Renewable

energy therefore provides an avenue for reducing capital flight by creating a closed-loop power generation system and advancing a more circular economy. It is appropriate, then, to raise our renewable portfolio standards to match our current capabilities as we continue to modernize our island.

Therefore, it is the intent of *I Liheslaturan Guåhan* to further develop renewable energy production through wind, solar, ocean thermal, wave and biomass resources, decrease our reliance on oil and fossil fuels, reduce costs of power production, reduce capital flight, create a closed-loop power generation system, advance a circular economy, and establish energy independence.

Section 2. § 8311 of Article 3, Chapter 8, Title 12, Guam Code Annotated, is hereby *amended* to read as follows:

"**§ 8311. Renewable Portfolio Standards.**

The Guam Power Authority *shall* establish a preliminary renewables portfolio standard goal of:

(a) five percent (5%) of its net electricity sales by December 31, 2015;

(b) fifty percent (50%) of its net electricity sales by December 31, 2035; and

(c) one hundred percent (100%) of its net electricity sales by December 31, 2045.

The amount of renewable capacity may be subject to engineering and economic analysis by the Guam Power Authority; provided, that such changes are subsequently approved by the Public Utilities Commission. For the purposes of this Article, nuclear power *shall not* qualify as a renewable energy source."

Section 3. Effective Date. This Act *shall* be effective upon enactment.