

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 8: UTILITIES**

**§ 8521. Definitions.**

As used in this chapter, the following words and phrases shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "Cost-effective" shall mean the ability to produce or purchase electric energy or firm capacity, or both, from renewable energy resources at or below avoided costs.

(b) "Electric utility" shall mean the Commonwealth Utilities Corporation and/or its successor in interest ("CUC") and any other provider of retail electric service in the Commonwealth.

(c) "Regulator" shall mean the Commonwealth Public Utilities Commission, or its successor in interest, or if no such commission exists, the Board of the government-owned utility.

(d) "Renewable energy" shall mean:

(1) Electrical energy produced by wind, solar energy, hydropower, land-fill gas, waste to energy, geothermal resources, ocean thermal energy conversion, ocean wave or current energy, biomass, including municipal solid waste, biofuels, or fuels derived from organic sources (other than coal, oil or gas), hydrogen fuels derived from renewable energy, or fuel cells where the fuel is derived from renewable sources; and/or

(2) Electrical energy savings brought about by the use of:

(i) Solar or heat pump water heating,

(ii) Seawater air-conditioning district cooling systems,

(iii) Solar air-conditioning and ice storage,

(iv) Quantifiable energy efficiency and energy conservation measures, including insulation in excess of the standards required in the Commonwealth's Building Code,

(v) Use of rejected heat from co-generation, and

(vi) Combined heat and power systems, but excluding:

(A) Fossil-fueled qualifying facilities that sell electricity to electric utility companies, and

(B) Central station power projects.

(3) Where bio fuels, hydrogen, or fuel cell fuels are produced by a combination of renewable and nonrenewable means, the proportion attributable to the renewable means shall be credited as renewable energy.

(4) Where fossil and renewable fuels are co-fired in the same generating unit, the unit shall be considered to produce renewable electricity in direct proportion to the percentage of the total heat value represented by the heat value of the renewable fuels.

(e) "Renewable portfolio standard" shall mean the required percentage of electrical energy sales that is represented by renewable energy:

(1) Produced by facilities which the electric utility owns or controls; or

(2) Which the utility has a right to receive by contract with an independent power producer.

**Source:** PL 15-23, § 2(8621); amended by PL 15-87 § 2(8621), modified.

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 8: UTILITIES**

**Commission Comment:** The Commission assigned a different numbering scheme to the above and subsequent sections than what was specified in the original text of Public Laws 15-23 and 15-87 pursuant to 1 CMC § 3806. The Commission changed capitalization pursuant to 1 CMC § 3806(f). PL 15-87, effective September 26, 2007, contained severability and savings provisions and the following:

Section 1. Findings and Purpose. The Legislature finds that Public Law 15-23 established incentives for producing electricity using alternative or renewable energy. However, Public Law 15-23 limits the scope in which a customer-generator or a private power producer could produce and sell electricity produced by renewable energy to the Commonwealth Utilities Corporation or a utility company.

The Legislature further finds that with the cost of fuel still on the rise, it is imperative that the Commonwealth utilize electricity produced by renewable energy on a large scale basis, if possible. Moreover, flooding the power grid with electricity produced by renewable energy would drive down the price of fossil fuel. Accordingly, the purpose of this legislation is to amend Public Law 15-23 to allow customer-generator or private power producers to produce and sell electricity produced by renewable energy to the Commonwealth Utilities Corporation on a large scale basis and to provide for incentives for the production of renewable energy in the Commonwealth.

It is the intent of the Legislature that the Commonwealth Utilities Corporation integrate the use of renewable energy into its power system as soon as feasible so as to alleviate the cost of purchasing fuel each month for its diesel generators. Although this Act includes specific deadlines for establishing renewable portfolio standards, the Commonwealth Utilities Corporation should not delay the implementation of the renewable portfolio standards until the occasion of such deadlines. Utilizing renewable energy to produce power today would significantly reduce the cost of producing electricity, thereby decreasing the cost of purchasing electricity for the people of the Commonwealth.

PL 15-23 was enacted on August 10, 2006, and contained the following findings and purpose in addition to severability and savings provisions:

Section 1. Findings and Purpose. The Legislature finds that the Commonwealth must find ways to conserve energy and explore alternative energy sources. Rising world oil prices have had a profound effect on the Commonwealth most notably with regard to public utilities. The Legislature further finds that the CNMI must reduce its dependence on fossil fuels and move toward the use of renewable energy while setting realistic deadlines for meeting that goal. Estimates are that the world economy will have to suffice with only a fraction of the current supply some time this century. The world's supply of fossil fuel is estimated to be economically depleted at some point in the future. Therefore, it is the purpose of this act to provide incentives for alternative energy.