

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos Governor Ralph DLG. Torres
Lieutenant Governor
1 3 FEB 2015

Honorable Victor B. Hocog Senate President, The Senate Nineteenth Northern Marianas Commonwealth Legislature Saipan, MP 96950

Honorable Joseph P. Deleon Guerrero Speaker, House of Representatives Nineteenth Northern Marianas Commonwealth Legislature Saipan, MP 96950

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 18-67, SD1, entitled, "To amend 4 CMC § 8112 and 4 CMC § 8122 to prioritize net metering for health and education renewable energy capacity; and for other purposes," which was passed by the Senate and the House of Representatives of the Eighteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 18-75**. Copies bearing my signature are forwarded for your reference.

Sincerely,

ELOY S. INOS

cc: Lt. Governor; Attorney General's Office; Commonwealth Utilities Corporation, Board of Directors; Commonwealth Public Utilities Commission; Public School System; Commonwealth Healthcare Corporation; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



THE SENATE Eighteenth Northern Marianas Commonwealth Legislature P. O. Box 500129 Saipan, MP 96950

January 06, 2015

The Honorable Eloy S. Inos Governor Commonwealth of the Northern Mariana Islands Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith Senate Bill No. 18-67, SD1, entitled, "To amend 4 CMC § 8112 and 4 CMC § 8122 to prioritize net metering for health and education renewable energy capacity; and for other purposes," which was passed by the Senate and the House of Representatives of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely,

Dolores S. Bermudes

Senate Clerk

Attachment



THE SENATE

EIGHTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 18-67, SD1

AN ACT

To amend 4 CMC § 8112 and 4 CMC § 8122 to prioritize net metering for health and education renewable energy capacity; and for other purposes.

Offered by Senator(s): Pete P. Reyes and Paul A. Manglona

Date: August 21, 2014

Referred to: Public Utilities, Transportation and Communications

Standing Committee Report No.: 18-80 Adopted on 12/23/14

Final Reading: December 23, 2014

Referred to: None

Standing Committee Report No.: None

First and Final Reading: December 30, 2014

DOLORES S. BERMUDES SENATE CLERK

EIGHTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FOURTH REGULAR SESSION, 2014

S. B. NO. 18-67, SD1

AN ACT

To amend 4 CMC § 8112 and 4 CMC § 8122 to prioritize net metering for health and education renewable energy capacity; and for other purposes.

BE IT ENACTED BY THE EIGHTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Commonwealth Legislature finds that the Commonwealth Healthcare Corporation (CHCC) and the Public School System (PSS) continue to struggle to pay its very exorbitant utility bills each month. At the same time, the Legislature finds that the Commonwealth government cannot afford to fully subsidize CHCC and the PSS in order to satisfy their monthly utility bills.

The Legislature finds that the only way to reduce utility costs is to utilize renewable energy sources to offset the electricity or other utility required for the operations of CHCC and PSS. Accordingly, the purpose of this legislation is to provide a definition for net metering and to prioritize the interconnection with net metering for health and education renewable energy capacity at CUC. Any reasonable direct expense to CUC for reviewing and interconnecting the PV or wind power renewable energy capacity shall be the responsibility of CHCC and PSS. There will be no cost to CUC to prioritize the interconnection of the renewable energy. Over time, CHCC and PSS will save millions of dollars in utility costs and utilize the money saved for other essential needs of the public health and education entities.

Section 2. <u>Amendment</u>. 4 CMC § 8112 is amended to read as follows: "§ 8112. Definitions.

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As used in this chapter, the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- (a) "Board" means the Board of Directors of the Commonwealth Utilities Corporation;
 - (b) "Commonwealth" means the Commonwealth of the Northern Mariana Islands;
- (c) "Commission," or "PUC," means the Commonwealth Public Utilities Commission;
 - (d) "Corporation," or "CUC," means the Commonwealth Utilities Corporation;
- (e) "Health and education renewable energy capacity" means a renewable capacity that is located on the premises of a public health or education entity; operated in parallel with the utility's transmission and distribution facilities; in conformance with the utility's interconnection requirements; and intended primarily to offset part or all of the electrical requirements of the health and education government agencies.
- (<u>f</u>) "Immediate family member" means a spouse, parent, child, sibling, parent-inlaw, sibling-in-law, child-in-law, or household member;
- (g) "Net metering" means measuring the difference between the electricity supplied through the electrical grid and the electricity generated by an eligible entity and fed back to the electric grid over a monthly billing period; provided that net energy metering shall be accomplished using one or more meters capable of registering the flow of electricity in two directions and any additional metering shall be used only to provide the information necessary to accurately bill or credit the public health or education entity.
- (h) "Utility service" means the delivery of electrical, water, and sewer services in the Commonwealth.
- **Section 3.** <u>Amendment</u>. 4 CMC § 8122 is amended to add a subsection (f) to read as follows:
- "(f) CUC shall prioritize the interconnection with net metering for health and education renewable energy capacity. CUC shall establish a net metering agreement with public health and education entities, as may be requested by the entity, have authority to review and approve the engineering and interconnection plan in accordance with industry

standard standards; and shall apply net metering credits to off-set the base, levelized energy adjustment, and other utility cost. Any net metering credits for the public health and education organizations may be applied to the overall bill of the public health or education entity and not a specific site where photovoltaic (PV) or wind power renewable energy may be located. The excess energy credit shall be carried forward as credits for public health and education agencies for no more than two fiscal years. Any reasonable direct expense to the CUC for reviewing and interconnecting the PV or wind power renewable energy capacity shall be the responsibility of the health or educational agency."

Section 4. Timeline.

- (a) CUC shall adopt any rules and procedures necessary to implement the net metering priority for the public health or education entities within 45 days after this Act becomes law.
- (b) The net metering agreement between CUC and the requesting public health or education entity, and the full implementation of the net metering request, shall be completed and operational no later than one year after this Act becomes law.
- **Section 5.** Notwithstanding any laws or regulations to the contrary, the implementation of this Act shall not require the review or approval of the Commonwealth Public Utilities Commission.
- **Section 6.** <u>Severability</u>. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.
- Section 7. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

SENATE BILL NO. 18-67, SD1

Section 8. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

-CERTIFIED BY:

RALPH DLG. TORRES PRESIDENT OF THE SENATE ATTESTED BY:

JOVITA M. TAIMANAO SENATE LEGISLATIVE SECRETARY

this 13th day of February

ELOY S. INO

Governor

Commonwealth of the Northern Mariana Islands