GOV. COMM. 15-144
(HOUSE)

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Benigno R. Fitial
Governor

Timothy P. Villagomez
Lieutenant Governor

AUG 10 2006

The Honorable Joseph M. Mendiola
Senate President, The Senate
Fifteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Oscar M. Babauta
Speaker, House of Representatives
Fifteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

OFFICE OF THE SPEAKER
RECEIVED
BY: Ocho
DATE: 8/11/06
TIME: 12:25 Pm
CNMI LEGISLATURE

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 15-38, SS1, HD1, entitled, "To establish requirements for the use of renewable energy, energy efficiency and for other energy and cost-saving measures; and to amend Title 4 of the Commonwealth Code, Division 8, by adding a new Chapter 6, Energy, Article 2-8; and for other purposes," which was passed by the Fifteenth Northern Marinas Commonwealth Legislature.

This bill becomes Public Law No. 15-23. Copies bearing my signature are forwarded for your reference.

Sincerely,

BENIGNO R. FITIAL

Cc: Attorney General, Office of the Attorney General
Executive Director, Commonwealth Utilities Corporation
Public Utility Commission
Secretary, Department of Finance
Secretary, Department of Public Works
Executive Director, Commonwealth's Law Revision Commission
Special Assistant for Programs and Legislative Review

Caller Box 10007 Saipan, MP 96950 Telephone: (670) 664-2200/2300 Facsimile: (670) 664-2211/2311

Public Law No. 15-23

THE SENATE

FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SENATE BILL NO. 15-38, SS1, HD1

AN ACT

To establish requirements for the use of renewable energy, energy efficiency and for other energy and cost-saving measures; and to amend Title 4 of the Commonwealth Code, Division 8, by adding a new Chapter 6, Energy, Articles 2-8; and for other purposes.

SENATE ACTION

Offered by Senator(s): Joseph M. Mendiola

Date: March 09, 2006

Referred to: Public Utilities, Transportation & Communications

Standing Committee Report No.: 15-45

Final Reading: May 30, 2006

Final Reading: July 13, 2006, House Draft 1

HOUSE ACTION

Referred to: None

Standing Committee Report No.: None

First and Final Reading: June 12, 2006

Maria Frica T. Pangelinan

SENATOR MARIA FRICA T. PANGELINAN
SENATE LEGISLATIVE SECRETARY

FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

Public Law No. 15-23

FIRST REGULAR SESSION, 2006 **SENATE BILL NO. 15-38, SS1, HD1**

AN ACT

To establish requirements for the use of renewable energy, energy efficiency and for other energy and cost-saving measures; and to amend Title 4 of the Commonwealth Code, Division 8, by adding a new Chapter 6, Energy, Articles 2-8; and for other purposes.

BE IT ENACTED BY THE FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

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

Section 2. Amendments. 4 CMC Division 8 is hereby amended to add Articles 2-8 to a new Chapter 6:

CHAPTER 6: Energy

Article 1. High Performance Buildings Standards Act. Reserved

Article 2. Renewable Portfolio Standards

Section 8621. 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, landfill 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 biofuels, 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.

Section 8622. Renewable Portfolio Standard.

(a) Each electric utility shall establish a renewable portfolio standard of:

(1) Five percent of its net electricity sales by December 31, 2007;

(2) Eight percent of its net electricity sales by December 31, 2008;

(3) Ten percent of its net electricity sales by December 31, 2010;

(4) Fifteen percent of its net electricity sales by December 31, 2015;

(5) Twenty percent of its net electricity sales by December 31, 2020; and

(6) Fifty percent of its net electricity sales by December 31, 2030.

Section 8623. Achieving Portfolio Standard. The electric utilities may aggregate their renewable portfolios in order to achieve the renewable portfolio standard. If requested, the regulator shall determine on an evidentiary record if an electric utility company is unable to meet the renewable portfolio standards in a cost-effective manner, or as a result of circumstances beyond its control which could not have been reasonably anticipated or ameliorated. If this determination is made, the electric

utility company shall be relieved of some or all of its responsibility for meeting the renewable portfolio standard for the period of time that it is unable to meet the standard.

Section 8624. Waivers, Extensions and Incentives.

(a) An electric utility company not meeting the renewable portfolio standard shall report to the regulator in writing within 30 days following the goal date established in § 8622 and provide a detailed explanation for not meeting the renewable portfolio standard.

(b) The regulator, after public notice and an evidentiary hearing, may:

(1) grant a waiver from the renewable portfolio standard;

(2) grant an extension for meeting the prescribed standard;

(3) levy a civil fine of up to $1,000 per day for failure to meet the standard;

(4) provide incentives to encourage electric utility companies to exceed their renewable portfolio standards or to meet their renewable portfolio standards ahead of time, or both.

Section 8625. Renewable Portfolio Standards Study. The regulator shall:

(a) By December 31, 2007, develop and implement a utility rate structure which may include but is not limited to,

(1) performance-based ratemaking to provide incentives that encourage the Commonwealth's electric utilities to use cost-effective renewable energy resources found in the Commonwealth,

(2) in order to meet the renewable portfolio standards established in this Act,

(3) while allowing for deviation from the standards in the event that the standards cannot be met in a cost-effective manner, or as a result of circumstances beyond the control of an electric utility which could not have been reasonably anticipated or ameliorated;

(b) By December 31, 2007, conduct a study and publish its findings and conclusions to:

(1) determine the extent to which any proposed utility rate structure would impact electric utility companies' profit margins, and how to avoid cutting profits solely by reason of the proposed rate structure;

(2) determine the capability of the Commonwealth's electric utility utilities to achieve renewable portfolio standards in a cost-effective manner;

(3) assess factors such as the impact on consumer rates, utility system reliability and stability, costs and availability of appropriate renewable energy resources and technologies, permitting approvals, impacts on the economy, culture, community, and environment; and

(4) evaluate tax incentives and other strategies to attract independent power producers who would use renewable sources of energy; and

(5) to assess whether the renewable portfolio standards should be reset.

Article 3. Net Energy Metering

Section 8631. Definitions. As used in this Article, the following words and phrases shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "Available capacity" shall mean the capacity available to the electric utility's system after factoring nameplate rating, times efficiency factor, times demonstrable hours of operation divided by total 8760 hours per year.

(b) "Control area" shall mean each of the islands which the electric utility serves.

(c) "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.

(d) "Eligible customer-generator" shall mean an electric utility's metered residential or commercial customer, including a government entity, who owns and operates, or will own and operate, a renewable energy system to generate electricity that is:

(1) Located on the customer's premises;

(2) Operated in parallel with the utility's transmission and distribution facilities;

(3) In conformance with the utility's reasonable and lawful interconnection requirements; and

(4) Intended primarily to offset part or all of the customer's own electrical requirements.

(e) "Energy service company" or "ESCO" is a business that develops, installs, and finances projects designed to improve the energy efficiency and maintenance costs for facilities over a seven-to-10 year time period, which project expenses, capital investments and fees are bundled into the project's cost and are repaid through a portion of the dollar savings generated. The ESCO is a business which generally acts as a project developer for a wide range of tasks and assumes the technical and performance risk associated with the project. Typically, the ESCO offers the following services: develop, design, and finance energy efficiency projects; install and maintain the energy efficient equipment involved; measure, monitor, and verify the project's energy savings; and assume the risk that the project will save the amount of energy guaranteed.

(f) "Energy service contract" shall mean a contract between a facilities owner or manager, including the Government, and an energy service company.

(g) "Net energy metering" shall mean measuring with a mechanical and/or electronic device the difference between the electricity supplied through the electric grid and the electricity generated by an eligible customer-generator and fed back to the electric grid over a monthly billing period; provided that:

(1) Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions;

(2) An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the customer-generator, at the expense of the electric utility, and the additional

metering shall be used only to provide the information necessary to accurately bill or credit the customer-generator, or to collect renewable energy generating system performance information for research purposes;

(3) If the existing electric meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, the electric utility shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions;

(4) If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single two-directional meter; and

(h) "Net electricity consumer" shall mean an eligible customer-generator who, at the end of each monthly billing period, has consumed electricity where:

(1) the electric utility's delivery of electricity to the customer exceeds

(2) the sum of:

(i) The electricity generated by the eligible customer-generator during that same period; and

(ii) Unused credits for excess electricity from the eligible customer-generator carried over from prior months since the last renewable energy-month reconciliation period.

(i) "Net electricity producer" shall mean the eligible customer-generator who, at the end of each monthly billing period, has generated electricity during the month in an amount which exceeds the electricity supplied by the electric utility during that same period.

(j) "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.

(k) "Renewable energy system" shall mean a generating system that uses a renewable energy source as defined in this Chapter, or a hybrid system consisting of two or more of these facilities.

Section 8632. Net energy metering to be provided to eligible customer. An eligible customer-generator shall be entitled to receive net energy metering service in accordance with this Article.

Section 8633. Maximum capacity of eligible customer-generator. A customer shall be eligible for net energy metering for not more than 100 kilowatts of available capacity of a renewable energy system; provided that the regulator shall increase the maximum qualifying capacity by regulation or order upon a showing that the larger system will not unduly interfere with the electric utility's ability to properly manage its control area and that the financial impact of the service will not unduly harm the electric utility.

Section 8634. Standard contract or tariff; rate structure.

(a) The electric utility shall develop a standard contract or tariff providing for net energy metering and shall make this contract or tariff available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total available capacity produced by eligible customer-generators equals 30 percent of the electric utility's system peak demand; provided that, on good cause shown, the regulator may increase, by rule or order, this percentage amount.

(b) Each net energy metering contract or tariff shall be identical, with respect to rate structure and other charges and fees, to the contract or tariff to which the same customer would be assigned if the customer were not an eligible customer-generator. The charges for all retail rate components for eligible customer-generators shall be based exclusively on the eligible customer-generator's net kilowatt-hour consumption over a monthly billing period. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible customer-generator's costs

beyond those of other customers in the rate class to which the eligible customer-generator would otherwise be assigned are contrary to the intent of this section, shall not be charged and shall not form a part of a net energy metering contract or tariff.

(c) Subject to the constraints of this Section, the regulator may amend the rate structure, standard contract or tariff by rule or order.

Section 8635. Limits on additional customer generators. Notwithstanding the requirements of this Act, an electric utility shall not be obligated to provide net energy metering to additional customer-generators in a control area when the combined total peak available capacity of all eligible customer-generators in the control area equals 30 per cent of the system peak demand of the control area; provided that the regulator may increase, by rule or order, this percentage amount, when it finds that no undue harm will likely come to the utility's ability to meet load by increasing the percentage.

Section 8636. Calculation of net charges/benefits. The net energy metering calculation shall be made by measuring the difference between the electricity which the electric utility delivered to the eligible customer-generator and the sum of:

(a) The electricity generated by the eligible customer-generator and fed back to the electric grid over a monthly billing period; and

(b) Any unused credits for excess electricity from the eligible customer-generator carried over from previous months since the last 12-month reconciliation period.

Section 8637. Billing periods; 12-month reconciliation.

(a) Billing of net energy metering customers shall be on a monthly basis; provided that the last monthly bill for each 12-month period shall reconcile for that 12-month period the net electricity provided by the electric utility with:

(1) The electricity generated by the eligible customer-generator and fed back to the electric grid over the monthly billing period; and

(2) Any unused credits for excess electricity from the eligible customer-generator carried over from prior months since the last 12-month reconciliation period.

(b) Credits for excess electricity from the eligible customer-generator that remain unused after each 12-month reconciliation period may not be carried over to the next 12-month period, but shall be compensated as provided in this Article.

Section 8638. Net electricity consumers. The net electricity consumer shall owe the electric utility for the customer's consumption in excess of the customer's production and credits. The eligible customer shall owe the electric utility for the excess monthly kilowatt-hour consumption calculated at the retail rate of the rate class the customer is normally assigned to. The eligible customer shall be responsible for all other charges and fees generally applicable to the customer's rate class.

Section 8639. Net electricity producers; excess electricity credits and credit carry over.

(a) The intent of this Article is that, for the 12-month billing period, the eligible customer-generator shall be fully compensated for his/her consumption through the production offset and credit calculations, and for the electric utility to buy the customer's excess production at 50% of the net energy metering rate.

(b) For a net electricity producer, the electric utility shall not ordinarily pay the customer monthly, but it may use the customer's excess electricity generated during the monthly billing period; and

(c) The net electricity producer's monthly excess electricity production shall be carried over to the next billing month as a monetary value to the credit of the customer; and

(d) Monthly unused credits shall accumulate and be used to offset the compensation owed the electric utility for the customer's net kilowatt-hour consumption for succeeding months within each 12-month period; and

(e) The electric utility shall reconcile the eligible customer-generator's electricity production and consumption for each 12-month period as set forth in this Article,

so that the aggregate credits shall be netted against the aggregate consumption charges for the 12-month period.

(f) Payment.

(1) If the eligible customer-generator has paid during the 12-month period more than the 12-month reconciliation supports, the electric utility shall credit the customer for the overpayment on the next bill. If the customer leaves the system, the utility shall pay the customer the credit amount within the next billing month.

(2) If the eligible customer-generator has, for the 12-month period, generated a net excess of electricity, the electric utility shall buy the excess at 50% of the rate applicable to the net energy metering calculation, or for such higher rate to which the parties have agreed in a purchase agreement for excess electricity production. The utility shall pay the customer within the next billing month.

Section 8640. Net electricity consumption or production information. The electric utility shall provide every eligible customer-generator with net electricity consumption or production information with each regular monthly bill, which shall include:

(a) The current monetary balance owed the electric utility for net electricity consumed;

(b) The net electricity produced since the end of the last monthly billing period; and

(c) An accounting of the credits for excess electricity produced by the eligible customer-generator since the last 12-month reconciliation period, which shows credits applied to the monthly billing period and any balance of unused credits.

Section 8641. Termination of eligible customer-generators. If an eligible customer-generator relationship with the electric utility terminates, the electric utility shall reconcile for the 12-month period the eligible customer-generator's consumption and production of electricity, including any unused credits for excess electricity from the eligible customer-generator carried over since the last 12-month reconciliation.

Section 8642. Safety and performance standards.

(a) A renewable energy system used by an eligible customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as the Underwriters Laboratories and, properly promulgated rules and regulations of the regulator regarding safety and reliability.

(b) An eligible customer-generator whose renewable energy system meets the standards and rules under subsection (a) of this Section shall not be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance.

(c) If a regulator seeks to promulgate additional rules or regulations regarding safety and reliability, it shall bear a substantial burden to prove on an evidentiary record that any of the following are necessary on the part of the eligible customer-generator: install additional controls, perform or pay for additional tests, or purchase additional liability insurance. Nothing herein shall be interpreted to prevent the electric utility from, at its own expense, installing additional controls, performing or securing tests, or securing liability insurance.

Section 8643. Business and tax effects.

(a) Business effects. No business license shall be required solely by reason of the treatment of customer-generated electricity under this Act.

(b) Tax effects. Reserved.

Article 4. Reserved

Article 5. Government Use of Energy Efficient Products

Section 8651. Energy efficient products and services.

(a) The Department of Finance's Division of Procurement and Supply shall require all government agencies to select, where life-cycle cost-effective, products given the ENERGY STAR rating, or other equally-or -better energy efficient products, when acquiring energy-using products. For product groups where ENERGY STAR labels are not yet available, agencies may select products that are in the upper twenty-five per cent of energy efficiency as designated by the United States Department of Energy, Office of

Energy Efficiency and Renewable Energy, Federal Energy Management Program, or its successor agency.

(b) Agency procurements shall incorporate energy efficient criteria consistent with designated energy efficiency levels into all guide specifications and project specifications developed for new construction and renovation, as well as into product specification language developed for purchasing. Such criteria shall be designed to attain at least LEED silver ratings and procure equipment at least as energy efficient as ENERGY STAR-rated equipment.

Section 8652. Energy efficient purchases.

(a) If an agency determines that initial costs render an otherwise cost-effective energy efficient purchase unaffordable, it shall request that the Department of Finance, Division of Procurement and Supply, solicit the provision of financing agreements with private sector suppliers to provide private funding to offset the higher up-front costs.

(b) Government agencies shall strive to meet the ENERGY STAR building criteria for energy performance and indoor environmental quality in their eligible facilities to the maximum extent practicable by June 30, 2007. Agencies may use private- or public-sector energy-savings performance contracts, utility energy-efficiency service contracts, or other similar financing and delivery means to conduct evaluations and make improvements to facilities. Facilities that rank in the top twenty-five per cent in energy efficiency relative to comparable commercial and state buildings shall receive the ENERGY STAR building label or its equivalent as determined by the Secretary of the Department of Public Works.

(c) Agencies shall have the power and authority, subject to lawful procurement, to use energy-savings performance contracts, private sector energy service contracts with energy service companies, or utility energy-service contracts to aid them in constructing, renovating and/or managing facilities.

(d) Government agencies entering into leases, including the renegotiation or extension of existing leases, shall incorporate lease provisions that require energy and water efficiency wherever life-cycle cost-effective. Build-to-suit lease solicitations shall contain criteria encouraging sustainable design and development, energy efficiency, and verification

of facility performance. The requirements of this subsections shall conform to the US Green Building Council's LEED rating system, silver level.

(e) All agencies' procurements shall include a preference for facilities having an ENERGY STAR building label in their selection criteria for acquiring leased facilities.

(f) All agencies shall encourage lessors to apply for an ENERGY STAR building label, or the US Green Building Council's LEED rating system, silver level, or its equivalent, for used facilities. and to further explore and implement projects that will reduce costs to the Commonwealth, including projects carried out through the lessors' energy-savings performance contracts or utility energy-efficiency service contracts. Each lease, including lease renewals, shall contain an attachment that explicitly addresses the requirements of this subsection.

(g) All agencies, in their procurements for office space, air conditioning equipment, installed lighting, pumps, motors, or vehicles, shall seek to use renewable energy systems, as defined in this Act, to power their operations. They shall certify their efforts to the Governor, with an explanation why, or why not, they secured renewable energy.

Section 8653. Environmental Management System purchasing. The Department of Finance, Division of Procurement and Supply, shall deliver to the Governor by December 31, 2006, a recommended Environmental Management purchasing system ("EMS"). The EMS shall draw on the federal government's EMS, issued pursuant to Executive Order 13101, as described in EPA publication 742-R-05-001 (Apr. 2005). The Division shall work closely with the following agencies to develop the EMS: DEQ, Attorney Generals Office, Department of PublicWorks.

Article 6. Energy Efficiency Policy

Section 8661. Policy to encourage energy efficiency. It shall be the policy of the Commonwealth to use energy as efficiently and cost-effectively, taking into account short-run and the long-term costs and benefits which can be quantified.

Section 8662. Government agencies to employ energy efficiency. All Commonwealth agencies shall use energy cost-effectively. All Commonwealth contracts

must explicitly require the installation of and the use of life-cycle, cost-effective energy efficiency technology, including but not limited to the following:

(1) For capital projects, the construction of and/or additions to buildings which meet or exceed the standards required for the certification of the construction as LEED-certified, "silver", pursuant to the U.S. Green Building Council's most recent published standards.

(2) For operations and maintenance, energy efficient equipment and supplies that meet EPA Energy Star standards, including high efficiency fluorescent lighting, high efficiency air conditioning, heating and ventilating equipment, double or triple pane coated glass, tightly caulked and sealed wall penetrations, including windows, doors and vents.

Section 8663. CUC to promote energy efficiency. The CUC, or its successor in interest, shall assist and promote its customers' use of energy efficiency, energy efficient building techniques and energy saving devices. CUC shall report to the Legislature by December 31, 2006, the programs which it has created or which it intends to create to advance this requirement.

Section 8664. CUC energy service company. CUC shall encourage the activities of private sector energy service companies. CUC shall have the power and authority to provide energy service company services to its customers. CUC may, subject to the approval of a regulator, place into rate base part or all of its investment in customer premises material and equipment installed as part of an energy service contract. The regulator, as a condition for approval, shall determine the extent to which the effect of the energy service contract investment will reduce CUC's need to buy oil to provide the same quality of service to the customer.

Section 8665. Governmental support of private sector efforts The regulator and the government-owned utility shall facilitate the private sector's development of renewable energy projects by supporting the private sector's attainment of renewable portfolio standards.

(a) The Departments of Land and Natural Resources and Public Lands and the Zoning Board shall:

(1) Develop and publish in hard copy or electronically a catalog by December 31, 2006, and every two years thereafter, of potential sites for the development of renewable energy; and

(2) Work with the electric utilities and other renewable energy developers on all applicable planning and permitting processes to expedite the development of renewable energy resources.

(b) The Department of Commerce and the Department of Public Works shall:

(1) Develop a program to maximize the use of renewable energy and cost-effective conservation measures by Commonwealth government agencies, including but not limited to each Department, the CPA, the Public School System and Northern Marianas College;

(2) Work with federal agencies to develop as much research, development and demonstration funding, and technical assistance as possible to support the Commonwealth in its efforts to achieve the renewable portfolio standards.

Section 8666. Annual report. The regulator, with the assistance of each relevant agency and the CUC, or its successor in interest, shall publish in hard copy or electronically a public report annually, beginning in January 2007, which shall explain to the public, the governor and the legislature, in quantifiable, businesslike terms: a report of electric utility loads and capabilities, including the total rated generating capacity produced by eligible net energy metering customer-generators that are customers of each utility in the utility's service area; goals for saving energy, the reduction in oil use, and the money associated with the savings; measurable, annual objectives which are intended to lead to the energy saving goals; the strategies for achieving the measurable objectives, and their costs and benefits; and the progress made in and through the reporting period in meeting the objectives.

Article 7. Clean Energy Transportation

Section 8671. Policy to encourage clean energy transportation and reduce diesel and gasoline engine emissions. It is the policy of the CNMI to encourage the use of clean-running commercial sector buses, including mini-buses. It is the policy of the CNMI to substitute for gasoline and diesel fuel the following fuels: electricity which has been generated by clean-burning fossil power plants and renewable resources; and bio-diesel fuel, including fuel made from used cooking oils.

Section 8672. CUC to offer electric charging stations. The CUC shall offer sufficient electric vehicle charging stations, in at least two locations easily available to users, to power electric buses and minivans on a 24/7 basis. Such stations shall be deployed in concert with the importation and use in the CNMI of chargeable electric vehicles. The CUC shall offer sufficient quick-charge and trickle charge capacity to meet 80% of the reasonable estimated current load. Electricity sold through electric charging stations shall be provided for the first five years at rates which are competitive with the costs of owning and operating a diesel- or gasoline-powered vehicle.

Section 8673. Commercial buses to meet clean energy standards. Reserved.

Article 8. Renewable Energy Technologies; Tax Treatment; Tax Credits. Reserved."

Section 3. Severability. 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 4. 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 this 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.

Section 5. Effective Date. This Act shall take effect upon its approval by the Governor or its becoming law without such approval.

CERTIFIED BY:

JOSEPH M. MENDIOLA
President of the Senate

ATTESTED BY:

MARIA FRICA T. PANGELINAN
Senate Legislative Secretary

APPROVED this 10th day of AUGUST, 2006

BENIGNO R. FITIAL
Governor
Commonwealth of the Northern Mariana Islands