

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

June 20, 2023

3RD Spc.

~~Regular~~ Session, 2023

H. B. 23- 59

A BILL FOR AN ACT

To transition governmental electric rates to commercial rates;
and for other purpose.

BE IT ENACTED BY THE 23RD NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Commonwealth of the Northern
2 Mariana Islands (CNMI) government has identified the need for greater fiscal
3 responsibility and efficient resource allocation. The current governmental electric
4 rate provided by the Commonwealth Utilities Corporation (CUC) presents an
5 opportunity for improvement in cost savings and budget optimization. Recognizing
6 the potential benefits of transitioning governmental agencies to commercial electric
7 rates, the following findings support the necessity of this legislative action. The
8 existing governmental electric rate in the Commonwealth of the Northern Mariana
9 Islands (CNMI) may not align with market conditions and commercial rates,
10 potentially imposing an unnecessary financial burden on the CNMI Government.
11 By transitioning to commercial electric rates, transparency and fairness can be
12 promoted in the allocation of resources, ensuring that governmental agencies

1 contribute their fair share for energy consumption. Furthermore, commercial
2 electric rates can serve as an incentive for governmental agencies to adopt energy-
3 saving measures and enhance overall energy efficiency, resulting in reduced costs
4 and environmental benefits. The elimination of the governmental electric rate
5 would simplify the tariff structure, leading to a more streamlined and
6 administratively efficient system.

7 The purpose of this legislation is to address the findings mentioned above
8 and enact measures that will enhance fiscal responsibility and resource
9 management within the CNMI Government. By deleting the existing governmental
10 electric rate and transitioning all governmental agencies to commercial electric
11 rates, this legislation aims to achieve the following objectives. First, it improves
12 cost savings for the CNMI Government by aligning energy costs with commercial
13 rates and eliminating any potential subsidies or preferential treatment. This ensures
14 that the government pays a fair price for energy consumption, reducing
15 unnecessary financial burdens. Second, the transition promotes fair and equitable
16 resource allocation by ensuring that governmental agencies pay their proportionate
17 share based on market rates. This eliminates disparities and promotes a level
18 playing field for all agencies. Additionally, the adoption of commercial rates
19 incentivizes energy conservation and efficiency within governmental agencies,
20 encouraging the adoption of sustainable practices and reducing overall energy
21 consumption. Finally, the elimination of the separate governmental electric rate

1 streamlines the tariff structure and administrative processes. This leads to a greater
2 simplicity and efficiency in billing and reporting procedures, enhancing overall
3 operational efficiency for both the CNMI Government and the Commonwealth
4 Utilities Corporation (CUC).

5 **Section 2. Enactment.** Notwithstanding any laws or regulations to the
6 contrary and subject to proper codification by the CNMI Law Revision
7 Commission, the following new provisions is hereby enacted:

8 **“§ 101. Definitions.**

9 a. “CNMI Government” refers to all departments, agencies, and
10 instrumentalities of the Commonwealth of the Northern Mariana
11 Islands.

12 b. “CUC” refers to the Commonwealth Utilities Corporation, the
13 primary provider of electricity in the CNMI.

14 **§ 102. Deletion of Governmental Electric Rate.**

15 a. The existing governmental electric rate provided by the CUC shall
16 be discontinued and deleted from the tariff structure.

17 b. Effective from the date of this legislation’s implementation, all
18 governmental agencies shall be subject to commercial electric rates
19 for their energy consumption.

20 **§ 103. Transition Period.**

21 a. The CNMI Government shall work in coordination with the CUC to

1 establish a reasonable transition period to facilities the shift from
2 governmental electric rates to commercial rates.

3 b. The transition period shall allow governmental agencies to adjust
4 their budgets and operational plans accordingly.

5 **§ 104. Implementation Guidelines.**

6 a. The CNMI Government, in consultation with CUC, shall develop
7 and disseminate guidelines outlining the process and requirements
8 for transitioning from the governmental electric rate to commercial
9 rates.

10 b. The guidelines shall address factors such as billing procedures, rate
11 structure, energy consumption monitoring, and any other necessary
12 considerations.

13 c. The guidelines shall ensure transparency, fairness, and consistency
14 in the application of commercial electric rates across all
15 governmental agencies.

16 **§ 105. Cost Savings and Resource Allocation.**

17 a. The transition to commercial electric rates is intended to promote
18 cost savings and improve resource allocation within the CNMI
19 Government.

20 b. The CNMI Government shall periodically assess and evaluate the
21 financial impact of this transition, taking into account the savings

1 realized and any necessary adjustments to budgetary allocations.

2 **§ 106. Reporting Requirements.**

3 a. The CUC shall provide regular reports to the CNMI Government,
4 detailing the energy consumption and billing information of each
5 governmental agency.

6 b. The CNMI Government shall utilize these reports to monitor and
7 analyze the effectiveness of the transition to commercial electric
8 rates.”

9 **Section 3. Severability.** If any provisions of this Act or the application of
10 any such provision to any person or circumstance should be held invalid by a court
11 of competent jurisdiction, the remainder of this Act or the application of its
12 provisions to persons or circumstances other than those to which it is held invalid
13 shall not be affected thereby.

14 **Section 4. Savings Clause.** This Act and any repealer contained herein
15 shall not be construed as affecting any existing right acquired under contract or
16 acquired under statutes repealed or under any rule, regulation, or order adopted
17 under the statutes. Repealers contained in this Act shall not affect any proceeding
18 instituted under or pursuant to prior law. The enactment of the Act shall not have
19 the effect of terminating, or in any way modifying, any liability, civil or criminal,
20 which shall already be in existence on the date this Act becomes effective.

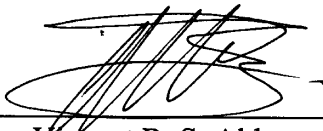
21 **Section 5. Effective Date.** This Act shall take effect upon its approval by

1 the Governor, or its becoming law without such approval.

Intro
Filed: 6/20/2023

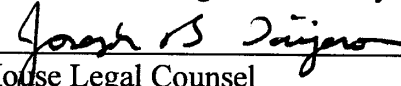
Date: 20 JUN '23

Introduced by:


Rep. Vincent R. S. Aldan

Introduction purposes only

Reviewed for ~~Legal Sufficiency~~ by:


House Legal Counsel