



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agana, Guam 96932

RESOLUTION NO. 2016-02

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUC AND AWARD SERVICES FOR A PERFORMANCE MANAGEMENT CONTRACT FOR GPA'S COMBUSTION TURBINE POWER PLANTS

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7 **WHEREAS**, the Guam Power Authority (GPA) has utilized Performance Management Contracts
8 (PMC) for the management, operations, and maintenance of the base load power plants; and

9 **WHEREAS**, PMCs have provided GPA valuable assistance for continued operation and
10 maintenance of power plants, including completion of major projects to meet availability, reliability, and
11 efficiency standards; and

12 **WHEREAS**, GPA has **25 MW** in Solar PV Renewables contributing to the island-wide power
13 system, and the impact of major surges or intermittency in the day from these renewable energy supply
14 requires the dispatching of units that can react quickly to the surges, such as the Combustion Turbine
15 units; and

16 **WHEREAS**, GPA intends to continue the addition of renewable energy to its power system,
17 through projects such as, but not limited to Phase II and Phase III of Renewable Resource Acquisition;
18 and

19 **WHEREAS**, GPA Combustion Turbine power plants have had significant operations and
20 maintenance issues resulting in systemic long-term unavailability and capacity derations; and

21 **WHEREAS**, the Dededo Combustion Turbine Unit 1 (CT1) and Unit 2 (CT2) have been out of
22 service since 2010 and 2004 respectively; and

23 **WHEREAS**, the Dededo Combustion Turbine power plant has mechanical and environmental
24 compliance issues that must be resolved prior to proceeding with re-commissioning of the units to
25 support the reserve capacity requirements; and

26 **WHEREAS**, GPA has completed repairs of the generator for CT1 as well as the smoke stacks for
27 both units; and

28 **WHEREAS**, repairs are pending on the CT2 generator, the switchgear for CT1, as well as auxiliary
29 systems, fuel tank and control systems for both units; and

30 **WHEREAS**, re-commissioning of the units provides opportunities to better support the
31 Department of Defense with their critical mission at Andersen Air Force Base and NCTMS including

32 serving these facilities through adverse weather using an existing underground 34.5KV line between the
33 power plant and Andersen Air Force base; and

34 **WHEREAS**, Yigo CT and Macheche CTs will require recapitalization for life extension to support
35 peaking and reserve unit requirements; and

36 **WHEREAS**, GPA's energy conversion agreement (ECA) with Taiwan Electrical and Mechanical
37 Engineering Services (TEMES) will expire on December 2017 resulting in the turnover of the Piti 7
38 facilities to GPA; and

39 **WHEREAS**, GPA requires the remote start capability for its CTs to better support system
40 operating reserve requirements, optimize GPA's ESS in its contingency reserve function, and improve
41 power system restoration back to normal after a unit trip event; and

42 **WHEREAS**, a PMC would help GPA to expeditiously assess the units, make the necessary repairs,
43 and render the units available to meet system demand; and

44 **WHEREAS**, GPA, through Resolution NO. 2015-46 completed IFB GPA-001-16 Invitation for Bid
45 for a Performance Management Contract for GPA's Combustion Turbine Plants; and

46 **WHEREAS**, Taiwan Electrical and Mechanical Engineering Services, Inc. (TEMES) was determined
47 to be the most responsive, responsible and qualified Bidder based on Qualitative Proposal Evaluations
48 and Price Proposal Evaluations completed by the GPA Bid Evaluation Committee (Exhibit A)

49 **WHEREAS**, GPA will reallocate O&M budget to fund Fixed Management Fee and O&M Budget
50 Payments for the CT PMC Contract for FY 2016 (Exhibit B); and

51 **WHEREAS**, GPA will utilize 1999 Excess Bond Funds, and reprogram the allocation of 2010 Bond
52 Funds (Exhibit C) to fund the rehabilitation of Dededo CT plant; and

53 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to approve
54 and award services for a Performance Management Contract for the Combustion Turbine Power Plants
55 with TEMES and to reallocate O&M Budget, 1999 Bond Funds and 2010 Bond Funds.

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57 **NOW, THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES subject
58 to the review and approval of the Public Utilities Commission as follows:

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60 1. The General Manager is authorized an increase in obligating authority in the amount of
61 \$5,980,246 for the first five years of the Contract, to fund the Fixed Management Fee
62 and O&M Budget for the Dededo CT, Macheche CT and Yigo CT Plants.

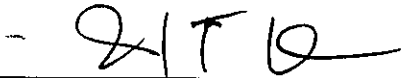
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2. The General Manager is authorized to enter into a Performance Management Contract for GPA's Combustion Turbine Power Plants with Taiwan Electrical and Mechanical Engineering Services, Inc. (TEMES).
3. The General Manager is authorized to reallocate O&M Funds illustrated in Exhibit B to fund Fixed Management Fee and O&M Budget for the CT PMC for FY 2016.
4. The General Manager is authorized to reprogram 1999 and 2010 Bond Funds as illustrated in Exhibit C to fund the rehabilitation of Dededo CT.

RESOLVED, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution.

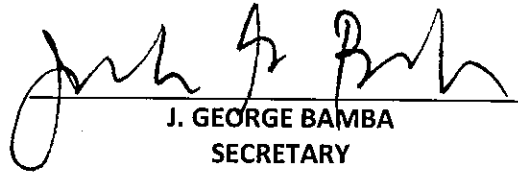
DULY and REGULARY ADOPTED this 26th day of January 2016.

Certified by:



JOSEPH T. DUENAS
CHAIRMAN

Attested by:



J. GEORGE BAMBA
SECRETARY

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SECRETARY'S CERTIFICATE

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90 I, J. George Bamba, Secretary for the Consolidated Commission on Utilities do hereby certify
91 that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
92 the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place
93 thereof on January 26, 2016, at which meeting of all said members had due notice and at which at least
94 a majority thereof were present, and

95 At said meeting said resolution was adopted by the following vote:

96

97 Ayes: 4

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99 Nays: 0

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101 Absent: 1

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103 Abstain: 0

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107 As of the date of this certification, said original resolution has not been amended, modified, or
108 rescinded since the date of its adoption, and the same is now in full force and effect.

SO CERTIFIED this 26th day of January, 2016.



J. George Bamba

J. GEORGE BAMBA
Secretary
Consolidated Commission on Utilities

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Number of Inclusions Issued: 2
 Number of Bids Received: 2

INITIATION NUMBER: **MLCSP-001-16**
 OPENING DATE: **12/18/15**
 CLOSING TIME: **2:00 PM**

PURCHASES & STORES DIVISION
 GUAM POWER AUTHORITY
ABSTRACT OF BIDS

*** PHASE I ***

DESCRIPTION OF SUPPLIES OR SERVICES	UNIT	QTY	UNIT PRICE	TOTAL	DISCOUNT	NET TOTAL	REMARKS
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 1	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 2	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 3	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 4	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 5	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 6	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 7	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 8	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 9	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 10	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 11	CONTRACT	1					
PERFORMANCE INCREMENT CONTRACT FOR CSP'S COMBUSTION TURBINE POWER PLANTS: DELIVERED BY; MARCH 2016 TO YEAR 12	CONTRACT	1					
TOTAL							

APPROVAL OF AWARDS (Finalized and Revised Issues shown)

BASIS FOR AWARD

Lowest Responsive Bidder
 The Bid
 Only Bid
 Other Than Lowest Responsive Bidder (See explanation on envelope hereof or attached)

Number of Awards (Contractors)

Submitted By: *[Signature]*
 Date: 12/18/15

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been returned to them.

EXHIBIT B

Re-allocation of O&M Funds

ITEM	BUDGET / BALANCE	REALLOCATION
Generation O&M Budget – Combustion Turbine Plants	Est. \$500,000 balance by 2/28/2016	Transfer to Dededo CT PMC
Generation O&M Budget – Generator Assessment (Major O&M)	\$300,000	Transfer to Dededo CT PMC
TOTAL INCLUDING REALLOCATION	\$800,000	
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TOTAL REQUIRED FUNDS FOR FY2016	\$665,000	

EXHIBIT C

REPROGRAMMING BOND FUNDS

ITEM	BUDGET / BALANCE	REALLOCATION
1999 Bond Funds (Excess)	\$840,000.00	Allocate to Dededo CT Refurbishment/Rehabilitation
2010 Bond Funds		Allocate to Dededo CT
Underground Fuel Pipeline Conversion & Fuel Metering	\$1,994,000	Refurbishment/Rehabilitation
P003 Underground Extension to Port Authority	\$ 661,000	
Agat Village Pole Hardening & Hybrid	\$ 62,000	
Cabras 1&2 CIPs	\$1,427,000	
Cabras 3&4 CIPs	\$1,048 000	
TOTAL REALLOCATION	\$6,032,000	

<i>TOTAL ESTIMATED COST FOR REHABILITATION OF DEDEDO CT</i>	\$5,800,000
<i>2014 Bond Funds Allocated (Dededo CT Return to Service)</i>	\$736,000
<i>1999 & 2010 Reallocated Bond Funds</i>	\$6,032,000