RESOLUTION NO. 2016–24

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO IMPLEMENT AND COMPLETE THE REPAIRS REQUIRED TO PLACE YIGO COMBUSTION TURBINE PLANT BACK INTO SERVICE

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

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

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

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

WHEREAS, on March 14, 2016 at 2222 hrs, abnormal noise from Yigo CT turbine prompted operations to place unit offline for investigation; and

WHEREAS, initial assessment completed by the Yigo CT team and CT PMC (TEMES Guam) showed material loss, corrosion and other issues that warranted further investigation; and

WHEREAS, the loss of Yigo CT further reduces GPA’s capacity by up to 20 MW; and

WHEREAS, results of initial engineering assessment show that repair will take about three months to complete, at a cost of approximately $2.3M; and

WHEREAS, GPA and the CT PMC intend to maximize the downtime of the unit to complete necessary repairs along with other projects that will extend the life and improve the efficiency and performance of the unit; and

WHEREAS, the CT PMC would help GPA to expeditiously assess the units, make the necessary repairs, and render the units available to meet system demand; and
WHEREAS, GPA, through Resolution NO. 2015-46 completed IFB GPA-001-16 Invitation for Bid for a Performance Management Contract for GPA’s Combustion Turbine Plants; and

WHEREAS, GPA, through Resolution 2016-02 awarded the contract to Taiwan Electrical and Mechanical Engineering Services, Inc. (TEMES) was determined to be the most responsive, responsible and qualified Bidder based on Qualitative Proposal Evaluations and Price Proposal Evaluations;

WHEREAS, GPA will allocate funds from its working capital for the repair and rehabilitation of Yigo CT; and

WHEREAS, approval is requested to allow the General Manager to petition the PUC to approve the implementation and completion of repairs needed to the Yigo CT plant, including the use of funds amounting to $2.3M.

WHEREAS, the change out of the Yigo CT unit would result in about $59K fuel savings monthly.

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

1. The General Manager is authorized an increase in obligating authority in the amount of $2,300,000 as additional CIP funds allotted to Yigo CT for FY2016 to implement and complete the repairs needed for the Yigo CT plant, through the PMC Contract with TEMES, Guam Inc.

2. The General Manager is authorized to allocate working capital funds to fund the Yigo CT repairs.

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

DULY and REGULARLY ADOPTED this 26th day of April 2016.

Certified by:

JOSEPH T. DUENAS
CHAIRMAN

Attested by:

J. GEORGE BAMBA
SECRETARY
SECRETARY'S CERTIFICATE

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

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

Ayes: 5

Nays: 0

Absent: 0

Abstain: 0

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

SO CERTIFIED this 26th day of April, 2016.

[Signature]

J. GEORGE BAMBA
Secretary
 Consolidated Commission on Utilities