



CONSOLIDATED COMMISSION ON UTILITIES

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

RESOLUTION NO. 2016-62

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO EXTEND THE PERFORMANCE MANAGEMENT CONTRACTS FOR THE CABRAS 1&2 POWER PLANT

1
2
3
4
5
6
7 **WHEREAS**, the Guam Power Authority (GPA) has a five-year Performance Management
8 Contracts for the management, operations, and maintenance of the Cabras 1&2 Plant awarded to
9 TEMES, that commenced in October 2010; and

10
11 **WHEREAS**, the Performance Management Contract between GPA and TEMES for Cabras 1 & 2
12 expired on September 30, 2015 and through Resolution 2015-35 was approved for extension up to
13 December 31, 2015 for an amount not to exceed \$723,279.44; and

14
15 **WHEREAS**, through Resolution 2015-15, GPA issued a Multi-Step Bid for a Single Performance
16 Management Contract for the Cabras 1&2 and the Cabras 3&4 Power Plants, which was subsequently
17 cancelled due to the explosion of Cabras 3&4 Power Plant; and

18
19 **WHEREAS**, the Performance Management Contract between GPA and TEMES for Cabras 1&2
20 through Resolution 2015-62A was approved for extension up to December 31, 2016 for a total cost of
21 \$2,754,374.29; and

22
23 **WHEREAS**, GPA's current resource plans and regulatory compliance measures filed with the PUC
24 for approval, indicate the retirement of the Cabras 1&2 units by 2021; and

25
26 **WHEREAS**, the PMC provides GPA assistance in the continued operation and maintenance of the
27 plants, including completion of life-extension projects, and meeting availability, reliability, and efficiency
28 standards; and

29
30 **WHEREAS**, the Cabras 1&2 Units provide up to 132 MW capacity, about 50% of current
31 estimated peak demand, and it is important for GPA to ensure its availability and reliability, to ensure
32 adequate MW capacity to support the island's energy requirements with minimal power supply
33 interruption; and

34
35 **WHEREAS**, GPA believes extending the contract period for the current PMC Contract, currently
36 awarded to TEMES, Inc., is a more practical approach given TEMES's experience in the management,
37 operation and maintenance of Cabras 1&2 Units as well as experience working with GPA; and

38
39 **WHEREAS**, the GPA and TEMES have begun evaluating and improving key contract requirements
40 and objectives; and

41

42 **WHEREAS**, the Authority requests for the extension of the contract from January 1, 2017 to
43 December 31, 2020 with an additional one-year extension option from January 1, 2021 to December
44 31,2021, for a total of five (5) years extension period for the Cabras 1&2 PMC Contract; and
45

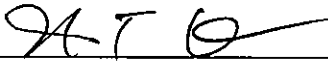
46 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to pursue a
47 four-year extension, with additional one-year extension option, for a total of five (5) years extension
48 period for the Cabras 1&2 PMC Contract.
49

50 **NOW, THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES subject
51 to the review and approval of the Public Utilities Commission as follows:
52

- 53 1. The Consolidated Commission on Utilities finds extending the current PMC Contract for
54 Cabras 1&2 to be reasonable, prudent, and necessary for the reliable operations of the
55 Cabras 1&2 Power Plant.
56
- 57 2. The General Manager is authorized to extend the contract with TEMES CT for a base
58 extension period of four years from January 1, 2017 to December 31, 2020, with an
59 option to extend for one additional year from January 1, 2021 to December 31, 2021,
60 for an amount of \$13,562,200 for the base period of four (4) Contract Years, and an
61 additional \$3,622,700 for the Optional one-year extension.
62
63


64 **DULY and REGULARLY ADOPTED** this 25th day of October 2016.

Certified by:



JOSEPH T. DUENAS
Chairman

Attested by:



J. GEORGE BAMBA
Secretary

65

66

SECRETARY'S CERTIFICATE

67 I, J. George Bamba, Secretary for the Consolidated Commission on Utilities do hereby certify
68 that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
69 the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place
70 thereof on October 25, 2016, at which meeting of all said members had due notice and at which at least
71 s majority thereof were present, and

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

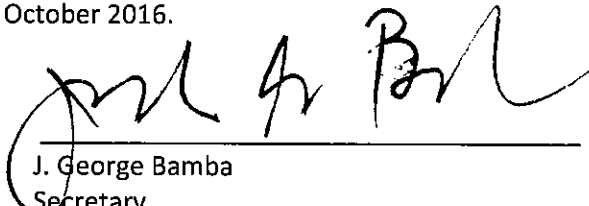
73 Ayes: 4
74 Nays: 0
75 Absent: 1
76 Abstain: 0

77

78 Said original resolution has not been amended, modified, or rescinded since the date of its
79 adoption, and the same is now in full force and effect.

80 **SO CERTIFIED** this 25th day of October 2016.

81
82
83
84
85



J. George Bamba
Secretary
Consolidated Commission on Utilities