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

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

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

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

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

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

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

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

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

WHEREAS, the GPA and TEMES have begun evaluating and improving key contract requirements and objectives; and
WHEREAS, the Authority requests for the extension of the contract from January 1, 2017 to December 31, 2020 with an additional one-year extension option from January 1, 2021 to December 31, 2021, for a total of five (5) years extension period for the Cabras 1&2 PMC Contract; and

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

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 Consolidated Commission on Utilities finds extending the current PMC Contract for Cabras 1&2 to be reasonable, prudent, and necessary for the reliable operations of the Cabras 1&2 Power Plant.

2. The General Manager is authorized to extend the contract with TEMES CT for a base extension period of four years from January 1, 2017 to December 31, 2020, with an option to extend for one additional year from January 1, 2021 to December 31, 2021, for an amount of $13,562,200 for the base period of four (4) Contract Years, and an additional $3,622,700 for the Optional one-year extension.

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

Certified by:  

[Signature]

JOSEPH T. DUENAS  
Chairman

Attested by:  

[Signature]

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 October 25, 2016, at which meeting of all said members had due notice and at which at least
s majority thereof were present, and

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

- Ayes: 4
- Nays: 0
- Absent: 1
- Abstain: 0

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 25th day of October 2016.

J. George Bamba
Secretary
Consolidated Commission on Utilities