



**CONSOLIDATED  
COMMISSION ON UTILITIES**

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

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**RESOLUTION NO. 2017-01**

**RESOLUTION RELATIVE TO THE APPROVAL OF ENGINEERING,  
PROCUREMENT AND CONSTRUCTION MANAGEMENT (EPCM) CONTRACT**

**WHEREAS**, in March 2015 the CCU authorized GPA to petition the PUC for approval of Consulting Services for implementing USEPA Compliance Plan and use of \$750,000 of the 2014 Bond Funds LNG Initial Startup Project<sup>1</sup>; and

**WHEREAS**, in May 2015 the PUC deferred its approval of the consulting services petition pending its approval of GPA’s proposal for 180MW of new Combined Cycle Power Plant<sup>2</sup>; and

**WHEREAS**, on August 31, 2015 GPA experienced catastrophic failure at the Cabras 3&4 Power Plant and caused generation capacity reserve shortfalls to support scheduled maintenance outages for the Cabras 1&2 and MEC baseload power plants. This required GPA to acquire 40 MW of temporary power, establish an Interruptible Load Program, and initiate the repowering of the Dededo CT power plant; and

**WHEREAS**, in October 2015 the PUC considered the impact of the loss of the Cabras 3&4 Power Plant and need for additional generation reserve and, to further support GPA’s request for 180MW of new generation capacity, required GPA to provide additional information such as a third party condition assessment of the Cabras 1&2 Power Plant and customer rate impact of new capacity. In addition, the PUC set conditions required GPA to initiate the Demand Side Management Program and to evaluate additional renewables into the GPA generation plan<sup>3</sup>; and

**WHEREAS**, in July 2016 GPA completed its response to the October 2015 PUC Order which included a Life Assessment study of the Cabras 1&2, an expanded Demand Side Management program, a Time of Use Study, Customer Rate Impact summary, updated IRP

<sup>1</sup> CCU Resolution No 2015-21 for approval of Consulting Services for implementing USEPA Compliance Plan was approved on March 24, 2015. GPA submitted its petition to PUC on April 9, 2015 under Docket 15-05.  
<sup>2</sup> PUC ordered deferral of approving consulting services on the May 28, 2015 PUC Hearing under Docket 15-05.  
<sup>3</sup> PUC ordered GPA to respond to PUC consultant report on IRP and to address several conditions as ordered on the October 29, 2015 PUC Hearing under Docket 15-05.

1 results reflecting updated fuel and load forecasts, Life Assessment Report of the MEC Power  
2 Plant, as well as an update to renewable integration with regards to Phase II, the lease of Navy  
3 properties for solar photovoltaic (PV) development and the evaluation of energy storage for  
4 increased PV penetration; and

5 **WHEREAS**, in October 2016, the PUC approved GPA's petition for up to 180MW of new  
6 generation capacity subject to the PUC procurement protocol and other conditions set forth in the  
7 order. In addition, the PUC also approved the consulting services and funding to support the  
8 procurement development for a IPP contract for new generation capacity; and

9 **WHEREAS**, on November 10, 2016 GPA issued RFP-17-001 for Engineering, Procurement  
10 and Construction Management Contract (EPCM) for the procurement development of an IPP  
11 contract for new generation capacity and to represent GPA as Owner's engineer support in the  
12 construction of the new power plant; and

13 **WHEREAS**, proposals were received on December 19, 2016 and Stanley Consultants, Inc.  
14 was determined to be the most qualified firm; and

15 **WHEREAS**, GPA has proposed a compliance plan to USEPA for the Cabras 1&2 and MEC  
16 Power Plants presently non-compliant with USEPA emissions regulations, specifically the EGU  
17 MATS and the RICE MACT. The plan commits GPA to complying by 2021 which would  
18 include the fuel conversion to ultra-low sulfur diesel for MEC and retirement of Cabras 1&2  
19 units after the commissioning of new units; and

20 **WHEREAS**, GPA will task Stanley Consultants, Inc. for the procurement development to  
21 meet our compliance plan commitment; and

22 **WHEREAS**, GPA has acquired initial funding of \$750,000 as approved by the PUC in  
23 October 2016 to support procurement development which exceeds the General Manager  
24 authority; and

25 **WHEREAS**, GPA will update and obtain additional approvals for additional tasks under the  
26 EPCM contract as required.

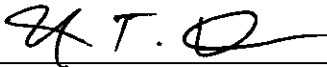
27 **NOW, THEREFORE, BE IT RESOLVED**, by the **CONSOLIDATED COMMISSION**  
28 **ON UTILITIES**, the **GOVERNING BODY** of the **GUAM POWER AUTHORITY**  
29 **HEREBY APPROVE AND AUTHORIZE AS FOLLOWS:**

1 1. The CCU authorizes the GPA General Manager to contract with Stanley Consultants,  
2 Inc. up to \$750,000 for the procurement development of the new generation IPP  
3 contract.


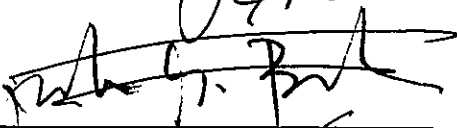
4 **RESOLVED**, the Chairman certifies and the Board Secretary attests to the adoption of  
5 this Resolution.

6 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 24<sup>th</sup> DAY OF**  
7 **JANUARY 2017.**

8 Certified by:

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11 JOSEPH "JOEY" T. DUENAS  
12 Chairperson

Attested by:

  
  
13 J. GEORGE BAMBA Francis K. Se  
14 CCU Board Secretary Vice-Chairman

15 **SECRETARY'S CERTIFICATE**

16  
17 I, J. GEORGE BAMBA, Secretary for the Consolidated Commission on Utilities do  
18 hereby certify that the foregoing is a full, true, and correct copy of a resolution duly adopted at a  
19 regular meeting by the members of Guam Consolidated Commission on Utilities, duly and  
20 legally held at a place properly noticed and advertised at which meeting a quorum was present  
21 and the members who were present voted as follows:

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

24  
25 Ayes: 3

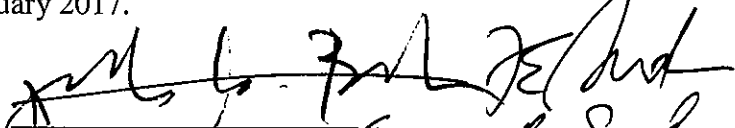
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27 Nays: 0

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29 Absent: 0

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31 Abstain: 2

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

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36 SO CERTIFIED this 24<sup>th</sup> day of January 2017.

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40 J. GEORGE BAMBA Francis K. Se  
41 Secretary Vice-Chairman  
42 Consolidated Commission on Utilities