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; 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; 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; 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

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1 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.
2 PUC ordered deferral of approving consulting services on the May 28, 2015 PUC Hearing under Docket 15-05.
3 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.
results reflecting updated fuel and load forecasts, Life Assessment Report of the MEC Power
Plant, as well as an update to renewable integration with regards to Phase II, the lease of Navy
properties for solar photovoltaic (PV) development and the evaluation of energy storage for
increased PV penetration; and

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION
ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY
HEREBY APPROVE AND AUTHORIZE AS FOLLOWS:
1. The CCU authorizes the GPA General Manager to contract with Stanley Consultants, Inc. up to $750,000 for the procurement development of the new generation IPP contract.

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 24th DAY OF JANUARY 2017.

Certified by: 

Attested by: 

JOSEPH “JOEY” T. DUENAS
Chairperson

J. GEORGE BAMBA
CCU Board 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 a resolution duly adopted at a regular meeting by the members of Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

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

Ayes: 3

Nays: 0

Absent: 0

Abstain: 2

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 24th day of January 2017.

J. GEORGE BAMBA
Secretary
Consolidated Commission on Utilities