RESOLUTION NO. 2018-02

RELATIVE TO BOND FINANCING SAVINGS UTILIZATION

WHEREAS, savings beginning 2022 will be utilized to offset the annual debt service cost of the new 180 MW power plant; and

WHEREAS, Guam Power Authority’s (GPA) Bond Refinancing Program will result in a 2018 to 2021 cumulative debt service reduction of $1,639,189 (Exhibit A); and

WHEREAS, as per Guam PL 34-69, Section 2(h), GPA must notify I Liheslatura within sixty (60) days of refinancing of its intent and plan regarding the savings achieved from refinancing; and

WHEREAS, GPA desires to reserve part of the savings for the benefit of the community by making a strategic investment assisting the Guam Department of Education’s (GDOE) with its Legislative mandate for renewable energy; and

WHEREAS, GPA proposes to use part of the Bond Refinancing Program savings towards GPA’s Bringing Energy Savings to (BEST) Schools Program; and

WHEREAS, the BEST Schools Program goals include:

- Supporting GDOE to achieve their legislative mandate to deploy and utilize renewable energy systems;
- Incentivizing GDOE to reduce their energy use and expenditures;
- Modernizing GDOE facilities infrastructure and extending GDOE equipment life with enhanced, proactive maintenance;
- Partnering up with GDOE under the UESC Program to execute the above; and

WHEREAS, GPA will supplement the funding of this program by assisting GDOE in pursuing federal grants and private/public partnerships; and

WHEREAS, any installed solar PV system energy production shall offset GDOE electricity billing on a kilowatt-hour generated for kilowatt-hour consumed basis at about the LEAC rate; and
WHEREAS, this proposed program benefits GDOE, GPA, renewable energy system providers, and Guam students and residents; and

WHEREAS, seed funding for the BEST Program is estimated at $500,000; and

WHEREAS, additionally, GPA will use the remainder of the Bond Refinancing Program savings towards replenishing GPA’s Demand-Side Management (DSM) Rebate Program; and

NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as FOLLOWS:

1. The CCU authorizes GPA to petition the PUC to use the bond refinancing program savings of $1,639,189 where up to $500,000 shall be used to implement the BEST Schools Program and any savings balance remaining thereafter shall be transferred to replenish the funding for GPA’s DSM Rebate Program.

2. Upon program approval by the PUC, the CCU authorizes the GPA General Manager to implement the BEST Schools Program and fund GPA’s DSM Rebate Program.

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

DURY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF FEBRUARY 2018.

Certified by: 

[Signature]

JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

Attested by: 

[Signature]

J. GEORGE BAMBA
Secretary
Consolidated Commission on Utilities

I, J. George Bamba, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:
RESOLUTION NO: 2018-02

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of 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:

Ayes: 5

Nays: 0

Absent: 0

Abstain: 0
EXHIBIT A

Bond Refinancing

PL 34-69

- Section 2(h) – GPA shall notify the Legislature within sixty (days) of refinancing of its intent and plan regarding the savings achieved from refinancing.

Summary of Savings:

- Final Par Amount of Refunding: $148,670,000
- Final Par Amount of Refunded: $150,440,000
- Total Cash Flow Savings: $11,528,439
- Annual Cash Savings: $501,236
- NPV Savings: 5.17%
- All-In True Interest Cost: 4.12
## Bond Refinancing – Cash Flow

<table>
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<tr>
<th>Date</th>
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<tbody>
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<td>290,725</td>
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<tr>
<td>10/1/2021</td>
<td>290,725</td>
</tr>
</tbody>
</table>

**Total Cash Savings:** $1,639,189